Section 1: 10-K (FORM 10-K)

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

Form 10-K

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

For the fiscal year ended December 31, 2019

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

For the transition period from _________ to _______

Commission File No. 001-38911

CLARIVATE ANALYTICS PLC
(Exact name of registrant as specified in its charter)

Jersey, Channel Islands
(State or other jurisdiction of incorporation or organization)

Friars House, 160 Blackfriars Roads
London SE1 8EZ
United Kingdom
(Address of principal executive offices)

Not applicable
(I.R.S. Employer Identification No.)

Not applicable
(Zip Code)

Registrant's telephone number, including area code: +44 207 4334000

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

<table>
<thead>
<tr>
<th>Title of each class</th>
<th>Trading Symbol(s)</th>
<th>Name of exchange on which registered</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ordinary shares</td>
<td>CCC</td>
<td>New York Stock Exchange</td>
</tr>
<tr>
<td>Warrants to purchase ordinary shares</td>
<td>CCC.WS</td>
<td>NYSE American</td>
</tr>
</tbody>
</table>

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

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

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

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

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐
Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company” and “emerging growth company” in Rule 12b-2 of the Exchange Act.

<table>
<thead>
<tr>
<th>Large accelerated filer</th>
<th>☐</th>
<th>Accelerated filer</th>
<th>☐</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-accelerated filer</td>
<td>☒</td>
<td>Smaller reporting company</td>
<td>☐</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Emerging growth company</td>
<td>☒</td>
</tr>
</tbody>
</table>

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

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Securities Exchange Act of 1934). Yes ☐ No ☒

The aggregate market value of the approximately 68.0 million ordinary shares held by non-affiliates of the Company (assuming for these purposes, but without conceding, that all executive officers and directors of the Company are affiliates of the Company) as of June 30, 2019, the last day of business of our most recently completed second fiscal quarter, was $1.05 billion, based on the closing sale price of the ordinary shares of $15.38 on June 28, 2019 as reported by the New York Stock Exchange.

The number of ordinary shares of the Company outstanding as of February 26, 2020 was 361,663,054.

**DOCUMENTS INCORPORATED BY REFERENCE**

- None
# TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>PART I</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Item 1. Business</td>
<td>4</td>
</tr>
<tr>
<td>Item 1A. Risk Factors</td>
<td>18</td>
</tr>
<tr>
<td>Cautionary Statement Regarding Forward-Looking Statements</td>
<td>36</td>
</tr>
<tr>
<td>Item 1B. Unresolved Staff Comments</td>
<td>38</td>
</tr>
<tr>
<td>Item 2. Properties</td>
<td>38</td>
</tr>
<tr>
<td>Item 3. Legal Proceedings</td>
<td>38</td>
</tr>
<tr>
<td>Item 4. Mine Safety Disclosures</td>
<td>39</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Part II</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Item 5. Market for Registrant’s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities</td>
<td>39</td>
</tr>
<tr>
<td>Item 6. Selected Financial Data</td>
<td>41</td>
</tr>
<tr>
<td>Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations</td>
<td>44</td>
</tr>
<tr>
<td>Item 7A. Quantitative and Qualitative Disclosures About Market Risk</td>
<td>76</td>
</tr>
</tbody>
</table>

| Index to Financial Statements | 78 |
| Item 8. Financial Statements and Supplementary Data | 78 |
| Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure | 142 |
| Item 9A. Controls and Procedures | 142 |
| Item 9B. Other Information | 144 |

<table>
<thead>
<tr>
<th>Part III</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Item 10. Directors, Executive Officers and Corporate Governance</td>
<td>144</td>
</tr>
<tr>
<td>Item 11. Executive Compensation</td>
<td>150</td>
</tr>
<tr>
<td>Item 13. Certain Relationships and Related Transactions, and Director Independence</td>
<td>171</td>
</tr>
<tr>
<td>Item 14. Principal Accounting Fees and Services</td>
<td>174</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>PART IV</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Item 15. Exhibits and Financial Statement Schedules</td>
<td>175</td>
</tr>
<tr>
<td>Item 16. Form 10-K Summary</td>
<td>176</td>
</tr>
</tbody>
</table>
Note on Defined Terms and Presentation

We employ a number of defined terms in this annual report for clarity and ease of reference, which we have capitalized so that you may recognize them as such. Generally, we explain a defined term the first time it is used. As used throughout this annual report, unless otherwise indicated or the context otherwise requires, the terms “Clarivate,” the “Company,” “our,” “us” and “we” refer to Clarivate Analytics Plc and its consolidated subsidiaries; “Baring” refers to the affiliated funds of Baring Private Equity Asia Pte Ltd that from time to time hold our ordinary shares; and “Onex” refers to the affiliates of Onex Partners Advisor LP that from time to time hold our ordinary shares.

Unless otherwise indicated, dollar amounts throughout this annual report are presented in thousands of dollars, except for per share amounts.

Website and Social Media Disclosure

We use our website (www.clarivate.com) and corporate Twitter account (@Clarivate) as routine channels of distribution of company information, including news releases, analyst presentations, and supplemental financial information, as a means of disclosing material non-public information and for complying with our disclosure obligations under Regulation FD promulgated by the Securities and Exchange Commission (the “SEC”) under the Securities Act of 1933, as amended (the “Securities Act”) and the Securities Exchange Act of 1934, as amended (the “Exchange Act”). Accordingly, investors should monitor our website and our corporate Twitter account in addition to following press releases, SEC filings, and public conference calls and webcasts. Additionally, we provide notifications of news or announcements as part of our investor relations website. Investors and others can receive notifications of new information posted on our investor relations website in real time by signing up for email alerts.

None of the information provided on our website, in our press releases, public conference calls, and webcasts, or through social media channels is incorporated into, or deemed to be a part of, this annual report or in any other report or document we file with the SEC, and any references to our website or our social media channels are intended to be inactive textual references only.

Foreign Private Issuer Status and Financial Presentation

We currently qualify as a foreign private issuer (“FPI”) under the rules of the SEC. We currently anticipate that we will retain FPI status until at least December 31, 2020. However, even though we qualify as an FPI, we report our financial results in accordance with U.S. generally accepted accounting principles (“GAAP”) and, beginning with this annual report, we have elected to file our periodic and current reports on Forms 10-K, 10-Q and 8-K.

Industry and Market Data

The market data and other statistical information used throughout this annual report are based on industry publications and surveys, public filings and various government sources. Industry publications and surveys generally state that the information contained therein has been obtained from sources believed to be reliable, but there can be no assurance as to the accuracy or completeness of the included information. Statements as to our ranking, market position and market estimates (including estimates of the sizes and future growth rates of our markets) are based on independent industry publications, government publications, third-party forecasts and management’s good faith estimates and assumptions about our markets and our internal research. We have not independently verified such third-party information nor have we ascertained the underlying economic assumptions relied upon in those sources, and we are unable to assure you of the accuracy or completeness of such information contained in this annual report. While we are not aware of any misstatements regarding our market, industry or similar data presented herein, such data involve risks and uncertainties and are subject to change based on various factors. See “Item 1A. Risk Factors” and “Cautionary Statement Regarding Forward-Looking Statements” in this annual report.
PART I

Item 1. Business

Overview

We are a leading global information services and analytics company serving the scientific research, intellectual property and life sciences end-markets. We provide structured information and analytics to facilitate the discovery, protection and commercialization of scientific research, innovations and brands. Our product portfolio includes well-established, market-leading brands such as Web of Science, Derwent Innovation, Life Sciences, CompuMark and MarkMonitor. We believe that our flagship products hold a #1 or #2 global position by revenues across the respective markets they serve, including abstracting and indexing databases, life science regulatory and competitive intelligence and intellectual property protection (including patent, trademarks and brand protection). We serve a large, diverse and global customer base. As of December 31, 2019, we served over 40,000 entities in more than 170 countries, including the top 30 pharmaceutical companies by revenues and 50 global patent offices. We believe that the strong value proposition of our content, user interfaces, visualization and analytical tools, combined with the integration of our products and services into customers’ daily workflows, leads to our substantial customer loyalty as evidenced by their high propensity to renew their subscriptions with us.

Our structure is comprised of two product groups: Science and Intellectual Property (“IP”). The Science Group consists of the Web of Science and Life Science Product Lines. The IP Group consists of the Derwent, CompuMark and MarkMonitor Product Lines. This structure enables a sharp focus on cross-selling opportunities within the markets we serve and provides substantial scale.

Corporations, government agencies, universities, law firms and other professional services organizations around the world depend on our high-value, curated content, analytics and services. Unstructured data has grown exponentially over the last decade. This trend has resulted in a critical need for unstructured data to be meaningfully filtered, analyzed and curated into relevant information that facilitates key operational and strategic decisions made by businesses, academic institutions and governments worldwide. Our highly curated, proprietary information created through our sourcing, aggregation, verification, translation and categorization of data has resulted in our solutions being embedded in our customers’ workflow and decision-making processes.

For the year ended December 31, 2019, we generated approximately $974,345 of revenues. We generated recurring revenues through our subscription-based model, which accounted for 82.6% of our revenues for the year ended December 31, 2019. In each of the past three years, we have also achieved annual revenue renewal rates in excess of 90%. (For information on annual revenue renewal rates, see “Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations — Key Performance Indicators — Annual Revenue Renewal Rates.”) No single customer accounted for more than 1% of revenues and our ten largest customers represented only 5% of revenues for the year ended December 31, 2019.

The following charts illustrate our revenues for the year ended December 31, 2019 by group, type and geography:
## Our Products

Our product portfolio is summarized below.

<table>
<thead>
<tr>
<th>Science Group</th>
<th>Intellectual Property Group</th>
</tr>
</thead>
<tbody>
<tr>
<td>Description</td>
<td></td>
</tr>
<tr>
<td>Web of Science</td>
<td>Used to search and analyze patents</td>
</tr>
<tr>
<td>Life Sciences</td>
<td>Used to monitor trademarks on an ongoing basis</td>
</tr>
<tr>
<td>Curated Information Set</td>
<td>Used to register and manage portions of web domains</td>
</tr>
<tr>
<td>Database of 1B+ citations, 166mm+ index records</td>
<td>Database of 80mm+ patent filings across 50 patent offices</td>
</tr>
<tr>
<td>73,000+ drug program records, 340,000 clinical trial records</td>
<td>180+ patent and trademark offices</td>
</tr>
<tr>
<td>Customers</td>
<td></td>
</tr>
<tr>
<td>7,000+ leading academic institutions and governments and research intensive corporations use Web of Science and its Journal Impact Factor</td>
<td>Trusted by the top 30 pharma companies and hundreds of research groups</td>
</tr>
<tr>
<td>Used by 50 patent offices, large R&amp;D organizations of Fortune 1000 companies and various universities</td>
<td>Used by 15 industrial databases, 70 Pharma in-use databases</td>
</tr>
<tr>
<td>Notable Products</td>
<td></td>
</tr>
<tr>
<td>Web of Science InCites ScholarOne</td>
<td>Derwent Innovation TechStreet</td>
</tr>
<tr>
<td>Cortellis RI Integrity Newport</td>
<td>Watch Screen Search</td>
</tr>
<tr>
<td>Domain Management Brand Protection</td>
<td></td>
</tr>
</tbody>
</table>

## Our Strategy

The Clarivate management team, led by Executive Chairman and Chief Executive Officer Jerre Stead, is implementing a transformation strategy designed to improve operations, increase cash flow and accelerate revenues growth. Our transition to standalone operations since our 2016 separation from Thomson Reuters Corporation and its affiliates (“Thomson Reuters”) has required extensive management time and focus and involved significant expenditures, including sizeable payments to Thomson Reuters under the transition services agreement formerly in effect. We believe that our transition to a standalone company positions us to implement our transformation strategy and to improve our productivity compared to other leaders in the information services sector on a revenues per employee basis and in terms of our Adjusted EBITDA margins.

Under Mr. Stead’s leadership, we are embarking on a race to deliver excellence to the markets we serve and continue our evolution as a world-class organization. As we move forward, the focus will be on three basic principles; focus, simplify and execute. This means:

1. Focusing on our core capabilities and the greatest opportunities for growth.
2. Simplifying our organization and processes. The focus on two product groups will be the driver for streamlining our operations.
3. Relentlessly driving execution of our strategy and growth plans.

These changes will help us operate with greater focus and urgency. They will ensure that we put our clients first, drive accountability throughout the organization, accelerate decision-making, and promote consistency. These tenets will enable us to deliver long-term, sustainable growth.
With a proven operational playbook, we have quickly pursued initiatives to set ourselves on a growth trajectory. Our results for the year ended December 31, 2019 are among the first proof points that our transformation is underway.

<table>
<thead>
<tr>
<th>Proven Playbook with Multiple Levers</th>
<th>Fourth Progress Report</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Accelerate Revenue Growth</strong></td>
<td><strong>2019 Earnings(^1)</strong></td>
</tr>
<tr>
<td>~ Product and pricing enhancement strategies</td>
<td>1. Revenue growth 0.6(^2)%</td>
</tr>
<tr>
<td>~ Increased pipeline of new products</td>
<td>2. Adjusted revenue growth (at constant currency) 3.1(^2)%</td>
</tr>
<tr>
<td>~ Build strength in Asia Pacific</td>
<td>3. Subscription revenue growth 1.4%</td>
</tr>
<tr>
<td>~ Optimizing pricing and cross-sell</td>
<td>4. Adjusted subscription revenue growth (at constant currency) 4.3(^2)%</td>
</tr>
<tr>
<td>~</td>
<td>5. Transactional revenue growth (4.7)%</td>
</tr>
<tr>
<td></td>
<td>6. Adjusted Transactional revenue growth (at constant currency) (2.3%)</td>
</tr>
<tr>
<td><strong>Enhance Margins</strong></td>
<td><strong>ACV growth (at constant currency) 3.5(^3)%</strong></td>
</tr>
<tr>
<td>~ Benefit from top-line initiatives</td>
<td>8. 90.1% retention rate (^4)%</td>
</tr>
<tr>
<td>~ Simplifying G&amp;A structure</td>
<td>Net loss $210,977 (Net loss margin and margin improvement not meaningful; reduction in Net loss of 12.9(^2)%</td>
</tr>
<tr>
<td>~ Consolidating footprint</td>
<td>9. Adjusted EBITDA margin 30.2(^2)%</td>
</tr>
<tr>
<td>~ Increase automation and cloud infrastructure</td>
<td>10. Adjusted EBITDA margin improvement 150 bps (^2)%</td>
</tr>
<tr>
<td></td>
<td>11. Adjusted EBITDA growth 7.7(^2)%</td>
</tr>
<tr>
<td></td>
<td>12. Adjusted EBITDA growth 7.7(^2)%</td>
</tr>
<tr>
<td></td>
<td>13. Exited TSA six months ahead of schedule</td>
</tr>
</tbody>
</table>

1. For a reconciliation of our non-GAAP measures to the corresponding most closely related measures calculated in accordance with GAAP, see “Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations – Certain Non-GAAP Measures.”

2. Results calculated for the year ended December 31, 2019 as compared to the year ended December 31, 2018.

3. “ACV” or “annualized contract value” refers to the annualized value for a 12-month period following a given date of all subscription-based client license agreements, assuming that all license agreements that come up for renewal during that period are renewed. The figure above represents the year-over-year growth in the annual value of our subscriptions as of December 31, 2019 as compared to December 31, 2018. For information on ACV, see “Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations – Key Performance Indicators – Annualized Contract Value.”

4. Retention rate measurement period is for the year ended December 31, 2019.

**Operational Improvement Initiatives**

We are in the process of implementing several cost-saving and margin improvement initiatives designed to generate substantial incremental cash flow. We have engaged a strategic consulting firm to assist us in optimizing our structure and cost base. The focus of these initiatives is to identify significant cost reductions to be implemented over the next several quarters, enabling us to deliver margins consistent with those of our peer group. Some examples include:

- decreasing costs by simplifying organizational structures and rationalizing general and administrative functions to enhance a customer-centric focus;
- using artificial intelligence and the latest technologies to reduce costs and increase efficiencies for content sourcing and curation;
- moving work performed by contractors in-house to best-cost geographic locations, particularly India, where we have significant scale that can be leveraged;
- achieving headcount productivity benchmarks and operational efficiency metrics based on alignment with quantified sector leader benchmarks;
- expanding existing operations in best-cost geographic locations, aligning with business objectives;
• minimizing our real estate footprint by reducing facility locations substantially over the next three years; and
• divesting non-core assets.
Revenues Growth Initiatives

We believe a significant opportunity exists for us to accelerate revenues growth by increasing the value of our products and services, developing new products, cross-selling certain products and optimizing sales force productivity. Actions to achieve such revenues growth are expected to include:

- developing new value-added products and services;
- delivering an enhanced client experience through ongoing renovations to our products’ user interface and user experience;
- offering additional analytics that enhance existing products and services;
- moving up the value chain by providing our clients with predictive and prescriptive analytics, allowing for stronger growth and higher retention rates;
- expanding our footprint with new and existing customers, with significant opportunity for growth in the Asia Pacific and emerging markets;
- broadening our consulting capabilities, in particular in the Science Group, where there is considerable opportunity for us to deliver high value consulting services to drive significant revenues growth;
- optimizing product pricing and packaging based on customer needs;
- increasing sales force focus on large accounts;
- expanding our inside sales capability to improve account coverage; and
- restructuring our incentive plans to drive new business, as well as cross-selling among similar products and overlapping buying centers.

The above actions are part of an overarching effort to improve retention rates and new business growth rates to best-in-class levels across our portfolio.

Pursue Acquisition Opportunities

Given the fragmented nature of the broader information services industry, we track and, where appropriate, will continue to pursue opportunities across our product groups. From 2017 through 2019, we completed five small add-on acquisitions to augment our existing portfolio of assets and provide additional datasets and services for our customers. Our completed acquisitions include Publons and Kopernio in Science and TrademarkVision, SequenceBase and Darts-ip in IP. Certain of these acquisitions are fully integrated into our platform, while others continue to be integrated, and we believe they have already provided additional value to our customers.

In February 2020, we consummated the acquisition of Decision Resources Group, our largest acquisition to date. See “— Recent Developments.”

We are evaluating additional acquisition opportunities to supplement our existing platform and enable us to enter new markets. Our focus is on disciplined and accretive investments that leverage our core strengths and enhance our current product, market, geographic and customer strategies. We believe that the combination of Mr. Stead’s successful acquisition track record and our scale and status as a global information services leader uniquely positions us to create value through additional acquisitions.

Positive Sector Dynamics Support Our Trajectory

We operate in the global information services and analytics sector, which is experiencing robust growth due to many factors. Data and analytics have become critical inputs into broader corporate decision-making in today’s marketplace, and companies and institutions are seeking services like ours to enhance the predictive nature of their analysis. In addition to greater demand for our services, rapid innovation within our customers’ businesses has created new use cases for our services. Third-party industry reports estimate the global data and analytics market will grow from $155 billion in 2018 to $219 billion by 2021, a 12.1% compound annual growth rate over the period. This represents the target addressable market across verticals that have a need for data and analytical services.

Customers of data and analytics products continue to approach complex business decisions in new ways. We believe that these customers are placing greater emphasis and value on the ability to embed predictive and prescriptive analytics into their decision-making processes. These customers are
using smart data to anticipate what will happen in the future, as opposed to using historical data to study what has happened in the past. As such, we are investing in these critical, forward-facing products and solutions. We believe offering these types of products will increase the value clients place on our products, allow for stronger growth and open new addressable markets, as illustrated below.
Significant Move Up the Value Chain with Smart Data Offerings

Our Competitive Strengths

**Leading Market Positions in Attractive and Growing Global Markets**

We offer a collection of high-quality, market-leading information and analytic products and solutions serving the intellectual property, scientific research and life sciences end-markets. Through our products and services, we address the large and growing demand from corporations, government agencies, universities, law firms and other professional services organizations worldwide for comprehensive, industry-specific content and analytical tools to facilitate the discovery, development, protection, commercialization and measurement of scientific research, innovations and brands. We believe that our flagship products hold a #1 or #2 by revenue across the respective markets they serve, including abstracting and indexing databases, life science regulatory and competitive intelligence and intellectual property protection (including patent, trademarks and brand protection). We also believe that the outlook for growth in each of our Product Lines is compelling because of customer demand for curated high-quality data, underpinned by favorable end-market trends, such as rising global R&D spending, growing demand for information services in emerging markets, the acceleration of e-commerce and the increasing number of patent and trademark applications.

**A Trusted Partner Delivering Highly Curated Content Embedded Within Customer Workflows**

We believe the substantial increase in unstructured data over the last decade has increased the importance of our proprietary, curated databases to our customers. This trend has resulted in a critical need for unstructured data to be meaningfully filtered, analyzed and curated into relevant information that facilitates key operational and strategic decisions made by businesses, academic institutions and governments worldwide. Our suite of branded information and analytic solutions provides access to content that has been collected, curated and standardized over decades, making our products and services highly valued and increasingly important for our customers. Our content curation and editorial teams include over 930 employees, who clean, analyze and classify unstructured data to ensure high-quality content and an enhanced user experience. We believe our solutions and commitment to excellence provide us with a significant advantage in both retaining existing and attracting new customers.
Attractive Business Model with Strong Free Cash Flow Profile

Approximately 82.6% of revenues for the year ended December 31, 2019 were generated through annual or multi-year subscription agreements. In addition, we have been able to achieve annual revenues renewal rates in excess of 90% over the past two years. We believe our business has strong and attractive free cash flow characteristics due to our highly visible and recurring subscription revenues stream, attractive Adjusted EBITDA margins, low capital expenditure requirements and favorable net working capital characteristics. Anticipated revenues growth, margin improvement, the recently-completed separation from Thomson Reuters and effective working capital management are expected to result in strong free cash flow generation. We believe this will create capacity to invest further into the business so that we can grow and maximize shareholder returns.

Diversified Product Lines with Longstanding Customer Relationships

We believe that the diversified nature of our Product Lines enhances the stability of our entire platform as we are not dependent on any one end-market, product, service or customer. We serve a large, diverse and global customer base, and as of December 31, 2019, we served over 40,000 entities in more than 170 countries, including the top 30 pharmaceutical companies by revenues and 50 global patent offices. No single customer accounted for more than 1% of revenues and our ten largest customers represented only 5% of revenues for the year ended December 31, 2019. We believe the strong value proposition offered by our content, combined with the integration of our products and services into our customers’ daily workflows and decision-making processes, leads to substantial customer loyalty. Our relationships with our top 50 customers by revenues span an average tenor of over 15 years. Our diverse global footprint is highlighted by the distribution of our revenues for the year ended December 31, 2019 by geography: Americas (47.5%), Europe/Middle East/Africa (28.6%), and Asia Pacific (23.9%).

Resilience Through Economic Cycles

We believe our business is resilient across economic cycles because our products and services are an integral part of our customers’ decision-making processes. We believe multi-year agreements also help to maintain this resiliency. During the most recent economic downturn, three of our key products — Web of Science, Life Sciences and Derwent Innovation — realized year-over-year revenues increases from 2008 to 2009. In addition, our diverse global footprint reduces our exposure to national and regional economic downturns.

Our performance is largely due to the sectors we serve and the deep integration of our products with our customers’ workflows, which provides for a resilient business model even during an economic downturn.

Proven and Experienced Leadership

Mr. Stead is a proven business operator with demonstrated success in shareholder value creation. At Clarivate, Mr. Stead brings his decades of expertise in the information services sector to guide a talented and experienced management team sourced from world-class, global companies, most of whom have decades of experience in their respective areas of expertise.
Background and History

Clarivate Analytics Plc was registered on January 7, 2019 and is organized under the laws of Jersey, Channel Islands. Our registered office is located at 4th Floor, St Paul’s Gate, 22-24 New Street, St. Helier, Jersey JE1 4TR. Our principal business offices are located at Friars House, 160 Blackfriars Road, London SE1 8EZ, United Kingdom, where our main telephone number is +44 207 4334000. We maintain a website at www.clarivate.com. In addition, the SEC maintains a website that contains reports, proxy and information statements, and other information regarding issuers (including Clarivate) that file electronically with the SEC at www.sec.gov.

Our predecessors date back to the acquisition of two industry-leading information services businesses: Derwent World Patents Index ("DWPI") and Institute for Scientific Information ("ISI"). DWPI was founded in 1951 by Monte Hyams who first began abstracting and publishing British patents on a weekly basis. This platform was then launched as the first online patent search tool in 1974. ISI was founded in 1957 by Dr. Eugene Garfield as a series of databases which laid the foundation for modern day bibliometrics and the influential Journal Impact Factor indicator. Thomson Reuters acquired DWPI in 1984 and ISI in 1992; it made further investments in complementary businesses centered on life science research, domain management and brand protection.

Since Thomson Reuters acquired DWPI and ISI, the business now known as Clarivate has emerged as the leading global information services and analytics company serving the scientific research, intellectual property and life sciences end-markets. Through product development, investment and acquisitions, we have developed a full suite of solutions providing high-value structured information that facilitates the discovery, protection and commercialization of scientific research, innovations and brands.

During the majority of its time under prior ownership, the Company operated as a set of non-core, separate divisions until Thomson Reuters decided in 2015 to divest them. This decision led to two key transformative events.

The first transformative event occurred in October 2016, when Onex and Baring acquired subsidiaries and assets comprising the intellectual property and science business of Thomson Reuters for $3,566,599 and formed Clarivate.

Onex, Baring and the new executive team they put in place focused on transitioning us to be a standalone company and completed a substantial number of operational improvements, including:

- building a new senior executive management team;
- investing in our core products to upgrade their content, functionality, analytical tools and user interfaces;
- completing the acquisitions of Publons, Kopernio, TrademarkVision, and SequenceBase to complement our product offerings;
- implementing initial cost savings initiatives; and
- fully transitioning the business from reliance on Thomson Reuters.

The second transformative event occurred in January 2019, when Churchill Capital Corp, a special purpose acquisition company led by Mr. Stead, announced that it would combine with Clarivate in a transaction completed in May 2019. Following the merger, the ordinary shares and warrants of Clarivate began trading on the New York Stock Exchange ("NYSE") and the NYSE American under the symbols “CCC” and “CCC.WS,” respectively.
Recent Developments

Acquisition of Decision Resources Group

On January 17, 2020, we entered into an agreement to acquire Decision Resources Group (“DRG”), a premier provider of high-value data, analytics and insights products and services to the healthcare industry, from Piramal Enterprises Limited, which is a part of global business conglomerate Piramal Group. The acquisition closed on February 28, 2020.

The aggregate consideration paid in connection with the closing of the DRG acquisition was approximately $950,000, comprised of $900,000 in cash paid on the closing date and approximately $50,000 in Clarivate ordinary shares to be issued to Piramal Enterprises Limited following the one-year anniversary of closing.

In February 2020, we completed an underwritten public offering of 27,600,000 of our ordinary shares, generating net proceeds of $540,736, which we used to fund a portion of the cash consideration for the DRG acquisition. In addition, we incurred an incremental $360,000 of term loans under our term loan facility and used the net proceeds from such borrowings, together with cash on hand, to fund the remainder of the cash consideration for the DRG acquisition and to pay related fees and expenses.

Redemption of Public Warrants

On February 20, 2020, we announced the redemption of all of our outstanding public warrants to purchase our ordinary shares that were issued as part of the units sold in the Churchill Capital Corp initial public offering and remain outstanding at 5:00 p.m. New York City time on March 23, 2020, for a redemption price of $0.01 per public warrant. In addition, our board of directors elected that, upon delivery of the notice of the redemption on February 20, 2020, all public warrants are to be exercised only on a “cashless basis.” Accordingly, by virtue of the cashless exercise of public warrants, exercising public warrant holders will receive 0.4626 of an ordinary share for each public warrant. Assuming all outstanding public warrants called for redemption on March 23, 2020 are exercised prior to redemption, an additional 4,749,616 ordinary shares would be issued.

In addition, during the period from January 1, 2020 through February 21, 2020, 24,132,666 of our outstanding public warrants were exercised for one ordinary share per whole warrant at a price of $11.50 per share.

The private warrants issued in a private placement concurrently with the Churchill Capital Corp initial public offering and still held by their initial holders are not subject to this redemption.

MarkMonitor Brand Protection, Antipiracy and Antifraud Disposition

In November 2019, we announced an agreement to sell the MarkMonitor™ brand protection, antipiracy and antifraud businesses, and completed such divestiture on January 1, 2020. We retained the MarkMonitor Domain Management business.

Our Product Lines

SCIENCE GROUP (56.2% of revenues for the year ended December 31, 2019)

Our Science Group consists of our Web of Science and Life Science Product Lines. Both provide curated, high-value, structured information that is delivered and embedded into the workflows of our customers, which include research intensive corporations, life science organizations and universities worldwide.

Web of Science Product Line

Our Web of Science Product Line (“WOSPL”) provides products and services to organizations that plan, fund, implement and utilize research. We deliver search and discovery services to researchers with proprietary scientific data; we help researchers cite their research with workflow tools; we provide data and analytics to allow for global measures of research excellence and university rankings; we support governments and policy makers worldwide in assessment programs; and we inform a wide range of sector specific consultation and reporting activities to national and institutional research agencies across the G20 countries. We believe that the high quality and unique nature of WOSPL’s products and the informed approach of our professional service expertise have resulted in our information, services and workflow tools becoming embedded within the fabric of the research community. Key products include Web of Science, InCites, Journal Citation Reports, EndNote, ScholarOne, Converis, Publons and Kopernio.

Web of Science (“WOS”), our flagship product, holds a unique and pivotal role in the infrastructure of R&D and is frequently utilized as a reference standard in the academic, institutional and corporate sectors. It provides publication records and essential metadata from trusted published assets and is linked and indexed together via over one billion tracked citations from over 166 million index records going back to 1900 within the core Web of Science, and back to 1864 in Zoological Record. A key metric we provide is the “Journal Impact Factor” (“JIF”), which we believe is the most influential and best-known research metric of the last 50 years. Its primary value is as a journal-level metric to assess what journals are the most impactful, but universities and research funders use JIF to inform their evaluation of research excellence when assessing faculty and selecting funding grantees. Researchers also rely on the JIF to identify top-tier journals where they should publish their content.
Example Use Cases

- A physics professor planning a research program and making a grant proposal accesses WOS to evaluate the current state of research in her discipline, identify emerging trends within highly regarded and relevant scientific journals and select a research topic, while the grant-making institutions will use WOS’s analytic tools to measure the professor’s credentials.

- A university provost interested in evaluating her university’s chemistry department accesses WOS and our analytical tool InCites to measure the strength of the university’s research output and benchmark it against comparable institutions, find the best researchers to bolster the university’s ranking and improve the caliber of research and find highly cited researchers, departments and laboratories.

Life Sciences Product Line

Our Life Sciences Product Line ("LSPL") provides products and services primarily to pharmaceutical and biotechnology companies. Our products are market leaders in regulatory intelligence and competitive intelligence, and our clinical trial offering is rapidly gaining share. We believe we provide a unique end-to-end proposition, which links to early research workflows, and believe there is an opportunity to stretch further into the approval and post-approval phases of drug development. Key products include Cortellis, Newport and Integrity.

Cortellis, our flagship LSPL product, is used by strategy, business development, drug development, medical affairs and clinical professionals at pharmaceutical and biotechnology companies to support research, market intelligence and competitive monitoring in connection with the development and commercialization of new drugs. Our customers use the database to access and evaluate scientific data, drug pipeline data, clinical trial information, drug monographs, pharmaceutical M&A data and regulatory information, all of which has been aggregated, curated and classified by our team of scientific experts who evaluate and select data for inclusion in the database from a wide array of sources. In addition, our team of experts creates high-value content from this data, such as analytics, abstracts, conference summaries and regulatory reports. As of December 31, 2019, our data included more than 73,000 drug program records and more than 340,000 clinical trial records.

Example Use Case

- An analyst at a pharmaceutical firm who is evaluating several potential R&D programs will access the Cortellis database to assess competitive products in the drug development pipeline, review clinical trial data and summarize regulatory information.

INTELLECTUAL PROPERTY GROUP (43.8% of revenues for the year ended December 31, 2019)

Our Intellectual Property Group consists of our Derwent, CompuMark and MarkMonitor Product Lines. These Product Lines help manage customer’s end-to-end portfolio of intellectual property from patents to trademarks to corporate website domains.
**Derwent Product Line**

Our Derwent Product Line ("DPL") enables customers to evaluate the novelty of potential new products, confirm freedom to operate with respect to their product design, help them secure patent protection, assess the competitive technology landscape and ensure that their products comply with required industry standards. We provide a range of analytics capabilities and data visualization tools to improve the efficiency and accuracy of IP-driven decisions. Key products include Derwent Innovation, Techstreet and IP Professional Services.

Derwent Innovation, our flagship DPL product, is used by R&D professionals and lawyers to monitor patent filings, search existing patents and analyze data to support R&D decision-making. It is a critical resource to help our customers secure patent protection and address litigation of patent infringement. The product is powered by Derwent World Patents Index, our proprietary database of over 80 million patent publications from 50 patent offices, which represented 98% of all patents published globally in 2018 and has been developed and curated for over 50 years. The database combines data science with our team of domain experts who correct, enrich and abstract over six million global patents per year in over 30 languages, as of December 31, 2019. We provide customers with easy-to-understand summaries of patent filings that are prepared by our domain experts, who index and translate the highly technical and intentionally obscure patent filings into understandable abstracts that provide insights into a patent’s novelty, use and advantage over prior patents.

**Example Use Case**

- An employee developing a new product or idea (e.g., a chemical engineer or a product designer) will access the Derwent Innovation database of patents to evaluate the novelty and determine the patentability of the new product or idea.

**CompuMark Product Line**

Our CompuMark Product Line ("CPL") provides trademark research and protection services for businesses and law firms globally and relies on our leading trademark database. CompuMark’s offerings span the entire life cycle of a trademark, from determining availability of a proposed trademark to monitoring for infringement post registration. CPL provides global trademark research and protection to corporations and law firms globally. Over the last 30 years, the organization has curated content from more than 180 patent and trademark offices. Coupled with industry specific sources, including over 15 industrial design databases and 70 Pharma In-Use Databases as of December 31, 2019, CompuMark delivers the most comprehensive data set for trademark professionals available.

Key products include trademark screening, trademark searching and trademark watching. We do this by (i) providing customers with sophisticated self-service tools to narrow large lists of potential trademarks, which we refer to as “screening”; (ii) preparing detailed, custom reports post screening that uncover potential risks related to a proposed trademark, which we refer to as “clearance searching”; and (iii) monitoring trademark applications and other data sources on a recurring subscription revenues basis to alert clients to potential instances of infringement post registration, which we refer to as “watching.”

**Example Use Case**

- An attorney for a large law firm helps clear a trademark for use by its corporate customer as part of a new product launch. The attorney first conducts a “knock-out” search as part of a preliminary screening process using our trademark research tool and then later orders an analyst curated “Full Search” report by CompuMark to ensure the availability of the proposed trademark in the markets in which the customer will be operating. In this way, the attorney can clear both the word and image mark for use by his/her client. The lawyer will then subscribe to CompuMark’s trademark watching services to continually ensure that none of their customers’ valuable trademarks are being infringed upon.
**MarkMonitor Product Line**

Our MarkMonitor Product Line (“MPL”) helps global enterprises establish, manage, optimize and protect their online presence. MPL provides a suite of technology services for brand managers, IT managers, marketing teams, and legal counsel in corporations to register and manage portfolios of domain names critical for their business. This allows customers to achieve the right balance of being easily found online without overpaying for domains that generate little to no Internet user traffic. MPL also provides data and domain industry insights which help enterprises maximize the power of their portfolios, and mitigate cyber squatters’ attempts to register domains aimed to defraud consumers.

**Example Use Case**

- An in-house counsel uses MarkMonitor to ensure that important domain names are registered and protected from security threats such as domain hijacking, spam, and other forms of DNS abuse.

**Customers**

We serve a large, diverse and global customer base and, as of December 31, 2019, we served over 40,000 entities in more than 170 countries as well as the top 30 pharmaceutical companies by revenue and 50 global patent offices. Our customers either use our databases on an exclusive basis or on a dual-sourced basis.

No single customer accounted for more than 1% of revenues and our ten largest customers represented only 5%, 6%, and 7% of revenues for the years ended December 31, 2019, 2018, and 2017 respectively.

**Competitive Environment**

We believe the principal competitive factors in our business include the quality of content embedded in our databases and those of our competitors, customers’ perception of our products relative to the value that they deliver, user interface of the products and the quality and breadth of our overall offerings. We believe we compete favorably with respect to each of these factors.

We believe no single competitor currently offers the same scope of services and market coverage we provide, nor do we provide the same scope of services and market coverage as our competitors. The breadth of markets we serve exposes us to a broad range of competitors as described below.

Our primary competitors differ by product line and include the following companies and product offerings:

- **Abstracting and Indexing Database Market**: Elsevier (Scopus, SciVal), Digital Science (Dimensions) and ProQuest (RefWorks);
- **Patent Protection Market**: CPA Global (Innography and IP services), IHS Markit (Engineering Workbench, ecommerce store), LexisNexis (TotalPatent), Minesoft (PatBase), Questel (Orbit) and SAI Global (i2i, ecommerce store);
- **Life Sciences Regulatory and Competitive Intelligence Market**: Evaluate (Evaluate Pharma), Global Data (Global Data Pharmaceuticals), Informa (Pharma Intelligence, BioMedTracker, Pharmaprojects, Trialtrove, Sitetrove), IQVIA (Tarius) and Qiagen (Qiagen Services);
Sources of Data

The data supporting our products and services is sourced principally through two different types of arrangements. First, we source data generally at little or no cost from public sources, including federal, state and local governments. Second, we purchase data from third-party data aggregators under contracts that reflect prevailing market pricing for the data elements purchased.

Technology

Our information technology systems are fundamental to our success. They are used for the storage, processing, access and delivery of the data which forms the foundation of our business and the development and delivery of our solutions provided to our customers.

Much of the technology we use and provide to our customers is developed, maintained and supported by approximately 800 employees and approximately 570 contractors, as of December 31, 2019. We generally own or have secured ongoing rights to use for the purposes of our business all the customer-facing applications which are material to our operations.

We are continually transforming our content, products, services and company to better meet our customers’ needs. We also are focused on securing our customer data and global systems as we implement and enhance our security programs. We are migrating the infrastructure for several of our customer applications and content databases to a third-party service provider, which provides a distributed computing infrastructure platform for business operations, or what is commonly referred to as a “cloud” computing service.

Intellectual Property

As of December 31, 2019, we owned approximately 644 registered trademarks, 276 trademark applications, 2,846 domain names, 68 granted patents and 58 patent applications. We also own certain proprietary software. In addition, we are licensed to use certain third-party software, and obtain significant content and data through third-party licensing arrangements with content providers. We consider our trademarks, service marks, databases, software and other IP to be proprietary, and we rely on a combination of statutory (e.g., copyright, trademark, trade secret and patent), contractual and technical safeguards to protect our IP rights. We believe that the IP we own and license is sufficient to permit us to carry on our business as presently conducted.

Our agreements with our customers and business partners place certain restrictions on the use of our IP. As a general practice, employees, contractors and other parties with access to our proprietary information sign agreements that prohibit the unauthorized use or disclosure of our IP and confidential information.
New Product Development

We believe that innovation is essential to our success and is one of our primary bases of competition. We believe we are uniquely positioned to help shape how professionals find, evaluate, interact with, consume and act upon information. We are focused on developing capabilities to improve our products’ user interfaces, analytical tools, searching algorithms and content curation processes. Our current focus includes building out a technology platform focused on search technologies, big data and analytics, machine learning, social computing and natural language technologies. This will enable more rapid product development as we shift our investment focus toward new products rather than maintenance of legacy technology.

We also add to our business line offerings through acquisitions. Since our separation from Thomson Reuters in 2016, we have completed five small add-on acquisitions to augment our existing portfolio of assets and provide additional datasets and services for our customers. Given the fragmented nature of the broader information services industry, we track and, where appropriate, have pursued opportunities across our Product Lines. These include Publons and Kopernio in WOSPL, SequenceBase in DPL and TrademarkVision and Darts-ip in CompuMark Product Line. Certain of these acquisitions are fully integrated into our platform, while others continue to be integrated, and we believe they have already provided additional value to our customers.

When we find it advantageous, we augment our proprietary data sources and systems by forming alliances with other leading information providers and technology companies and integrating their product offerings into our offerings. This approach gives our customers the opportunity to obtain the information they need from a single source and more easily integrate the information into their workflows.

Enforcement of Civil Liabilities

U.S. laws do not necessarily extend either to us or our officers or directors. We are incorporated under the laws of Jersey, Channel Islands. Some of our directors and officers reside outside of the United States. Substantially all of our assets and the assets of our directors and officers are located outside the United States. As a result, it may not be possible for investors to effect service of process on either us or our officers and directors within the United States, or to enforce against these persons or us, either inside or outside the United States, a judgment obtained in a U.S. court predicated upon the civil liability provisions of the federal securities or other laws of the United States or any U.S. state.

We have appointed Vistra USA, LLC, as our agent to receive service of process with respect to any action brought against us in the United States under the federal securities laws of the United States or of the laws of any state of the United States.

A judgment of a U.S. court is not directly enforceable in Jersey, but constitutes a cause of action which may be enforced by Jersey courts provided that:

- the applicable U.S. courts had jurisdiction over the case, as recognized under Jersey law;
- the judgment is given on the merits and is final, conclusive and non-appealable;
- the judgment relates to the payment of a sum of money, not being taxes, fines or similar governmental penalties;
- the defendant is not immune under the principles of public international law;
- the same matters at issue in the case were not previously the subject of a judgment or disposition in a separate court;
- the judgment was not obtained by fraud; and
- the recognition and enforcement of the judgment is not contrary to public policy in Jersey.
Jersey courts award compensation for the loss or damage actually sustained by the plaintiff. Although punitive damages are generally unknown to the Jersey legal system, there is no prohibition on them either by statute or customary law. Whether a particular judgment may be deemed contrary to Jersey public policy depends on the facts of each case, though judgments found to be exorbitant, unconscionable, or excessive will generally be deemed as contrary to public policy. Moreover, certain defendants may qualify for protection under Protection of Trading Interests Act 1980, an act of the UK extended to Jersey by the Protection of Trading Interests Act 1980 (Jersey) Order, 1983. This Act provides that a qualifying defendant is not liable for multiple damages, in excess of that required for actual compensation. A “qualifying defendant” for these purposes is a citizen of the UK and its Colonies (as defined in the Act), a corporation or other limited liability entity organized under the laws of the UK, Jersey or other territory for whose international relations the UK is responsible or a person conducting business in Jersey.

Jersey courts cannot enter into the merits of the foreign judgment and cannot act as a court of appeal or review over the foreign courts. It is doubtful that an original action based on U.S. federal or state securities laws could be brought before Jersey courts. In addition, a plaintiff who is not resident in Jersey may be required to provide a security bond in advance to cover the potential of the expected costs of any case initiated in Jersey. In addition, Clarivate has been further advised by our legal counsel in Jersey that it is uncertain as to whether the courts of Jersey would entertain original actions or enforce judgments from U.S. courts against us or our officers and directors which originated from actions alleging civil liability under U.S. federal or state securities laws.

**Marketing, Sales and Customer Support**

We primarily sell our products and services directly to our customers, although some of our products and services are sold through partners. Focusing some of our sales and marketing efforts on digital sales and marketing has allowed us to broaden our range of customers and reduce sales and marketing costs. We have a dedicated global sales force, which, as of December 31, 2019, consisted of approximately 1,155 people.

We annually develop sales, distribution and marketing strategies on a product-by-product and service-by-service basis. We leverage customer data, business and market intelligence and competitive profiling to retain customers and cross-sell products and services, while also working to promote unified brand recognition across all our products and services.

Our sales teams participate in both service and sales activities. They provide direct support, interacting frequently with assigned customers to assure a positive experience using our products and services. Sales people primarily seek out new sales opportunities, including existing customer retention and upsell, and work with the various sales teams to coordinate sales activity and provide the best solutions for our customers. A portion of our sales people’s compensation is tied to revenues retention. We believe our sales people’s product knowledge and local presence differentiates us from our competition.

In addition, we employ product specialists who are subject-matter experts and work with sales people on specific opportunities for their assigned products. Both sales people and product specialists have responsibility for identifying new sales opportunities. A team approach and a common customer relationship management system allow for effective coordination between the two groups.

**Employees**

As of December 31, 2019, approximately 4,090 full-time and approximately 113 part-time employees support our business operations. The employee count excludes employees related to the MarkMonitor Brand Protection, Antipiracy and Antifraud Disposition. See “Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations — Factors Affecting the Comparability of Our Results of Operations” for information related to the disposition. None of our employees in the United States are represented by unions; however, customary representation by unions and works councils applies for certain of our non-U.S. employees. We consider our relationship with our employees to be good and have not experienced interruptions to operations due to labor disagreements.
Seasonality

Our cash flows from operations are generated primarily from payments from our subscription customers and the standard term of a subscription is typically 12 months. When a customer enters into a new subscription agreement, or submits a notice to renew their subscription, we typically invoice for the full amount of the subscription period, record the balance to deferred revenues and ratably recognize the deferral throughout the subscription period. As a result, we experience cash flow seasonality throughout the year, with a heavier weighting of operating cash inflows occurring during the first half, and particularly first quarter, of the year, when most subscription invoices are sent, as compared to the second half of the year.

Regulatory Environment

Certain of our Product Lines provide authorized customers with products and services such as access to public records. Our Product Lines that provide such products and services are subject to applicable privacy and consumer information laws and regulations, including U.S. federal and state and European Union (the “EU”) and member state regulation. Our compliance obligations vary from regulator to regulator, and may include, among other things, strict data security programs, submissions of regulatory reports, providing consumers with certain notices and correcting inaccuracies in applicable reports. Many of these laws and regulations are complex and their application to us, our customers or the specific services and relationships we have with our customers are not always clear. Our failure to accurately anticipate the application of these laws and regulations, or any failure to comply, could create liability for us, result in adverse publicity and otherwise negatively affect our business. See “Item 1A. Risk Factors” for more information about the impact of government regulation on our company.

Item 1A. Risk Factors

**We operate in highly competitive markets and may be adversely affected by this competition.**

The markets for our products and services are highly competitive and are subject to rapid technological changes and evolving customer demands and needs. We compete on the basis of various factors, including the quality of content embedded in our databases and those of our competitors, customers’ perception of our products relative to the value that they deliver, user interface of the products and the quality of our overall offerings.

Many of our principal competitors are established companies that have substantial financial resources, recognized brands, technological expertise and market experience, and these competitors sometimes have more established positions in certain Product Lines and geographies than we do. We also compete with smaller and sometimes newer companies, some of which are specialized with a narrower focus than our company, and face competition from other Internet services companies and search providers.

Our competitors may be able to adopt new or emerging technologies or address customer requirements more quickly than we can. New and emerging technologies can also have the impact of allowing start-up companies to enter the market more quickly than they would have been able to in the past. We may also face increased competition from companies that could pose a threat to our business by providing more in-depth offerings, adapting their products and services to meet the demands of their customers or combining with one of their competitors to enhance their products and services. A number of our principal competitors may continue to make acquisitions as a means to improve the competitiveness of their offerings. In order to better serve the needs of our existing customers and to attract new customers, we must continue to:

- enhance and improve our existing products and services (such as by adding new content and functionalities);
- develop new products and services;
Our ability to compete successfully is also impacted by the growing availability of information from government information systems and other free sources, as well as competitors who aggressively market their products as a lower cost alternative. See “— Increased accessibility to free or relatively inexpensive information sources may reduce demand for our products and services.” Because some of our competitors are able to offer products and services that may be more cost effective than ours, including through the provision of price incentives for new customers, and because some of our competitors’ products and services may be seen as having greater functionality or performance than ours, the relative value of some of our products or services could be diminished. In addition, some of our competitors combine competing products with complementary products as packaged solutions, which could pre-empt use of our products or solutions. Competition from such free or lower cost sources may require us to reduce the price of some of our products and services (which may result in lower revenues) or make additional capital investments (which might result in lower profit margins). If we are unable or unwilling to reduce prices or make additional investments in the future, we may lose customers and our financial results may be adversely affected. In addition, implementation of annual price increases by us from time to time may also, in some cases, cause customers to use lower-cost competitors.

Certain of our distribution partners have licensing rights to portions of our content for use within their platforms. Over time they may become more directly competitive with us (subject to the terms of their agreements with us) if they were to advance their technology more efficiently and effectively than we do. Additionally, some of our customers may decide to develop independently certain products and services that they obtain from us, including through the formation of consortia. Educating our customers on the intricacies and uses of our products and services could, in certain cases, improve their ability to offer competing products and services as they look to expand their business models. If more of our customers become self-sufficient, demand for our products and services may be reduced. If we fail to compete effectively, our financial condition and results of operations would be adversely affected.

We may not be able to achieve the expected benefits of the DRG acquisition, including anticipated revenue and cost synergies, and costs associated with achieving synergies or integrating DRG may exceed our expectations.

We may not be able to achieve the expected benefits of the DRG acquisition, including anticipated revenue and cost synergies. There can be no assurance that the DRG acquisition will be beneficial to us. We may not succeed in cross-selling our other products and services to DRG’s customer base, or in cross-selling DRG’s products and services to our existing customer base. Moreover, we may not be able to integrate the assets acquired in the DRG acquisition or achieve our expected cost synergies without increases in costs or other difficulties. The integration process may be complex, costly and time-consuming. We expect to incur expenses in connection with the integration of DRG acquisition. While it is anticipated that certain expenses will be incurred to achieve operational synergies, such expenses are difficult to estimate accurately, and may exceed current estimates. Accordingly, the benefits from the DRG acquisition may be offset by costs incurred or delays in integrating the businesses. Any unexpected costs or delays incurred in connection with the integration of the DRG acquisition could have an adverse effect on our business, results of operations, financial condition and prospects, as well as the market price of our ordinary shares.

The overall integration of the businesses may result in material unanticipated problems, expenses, liabilities, competitive responses, loss of customer relationships, and diversion of management’s attention. In addition, even if the operations of our business and DRG’s business are integrated successfully, we may not realize the full benefits of the DRG acquisition, including the synergies, cost savings or sales or growth opportunities that we expect. These benefits may not be achieved within the anticipated time frame, or at all. Furthermore, additional unanticipated costs may be incurred in the integration of the businesses.
Our ability to make specified claims against the seller in the DRG acquisition generally expires over time and we may be left with no recourse for liabilities and other problems associated with the DRG acquisition that we do not discover prior to the expiration date related to such matters under our agreement to acquire DRG.

The market price of our ordinary shares may decline as a result of the DRG acquisition if, among other things, the integration of the entities to be acquired in the DRG acquisition is unsuccessful, if we fail to realize the anticipated cost or revenue synergies, or if the related liabilities, expenses or transaction costs are greater than expected. The market price of our ordinary shares may decline if we do not achieve the perceived benefits of the DRG acquisition as rapidly or to the extent anticipated by us or by securities market participants or if the effect of the DRG acquisition on our business, results of operations or financial condition or prospects is not consistent with our expectations or those of securities market participants. Furthermore, the DRG acquisition may subject us to new types of risks to which we were not previously exposed.

**If our products and services do not maintain and/or achieve broad market acceptance, or if we are unable to keep pace with or adapt to rapidly changing technology, evolving industry standards and changing regulatory requirements, our revenues could be adversely affected.**

Our business is characterized by rapidly changing technology, evolving industry standards and changing regulatory requirements. Our growth and success depend upon our ability to keep pace with such changes and developments and to meet changing customer needs and preferences. In order to enable our sales personnel to sell new products and services effectively, we must invest resources and incur additional costs in training programs on new products and services and key differentiators and business values.

The process of developing our products and services is complex and may become increasingly complex and expensive in the future due to the introduction of new platforms, operating systems and technologies. Our ability to keep pace with technology and business and regulatory changes is subject to a number of risks, including that we may find it difficult or costly to:

- update our products and services and develop new products and services quickly enough to meet our customers’ needs;
- make some features of our products work effectively and securely over the Internet or with new or changed operating systems;
- update our products and services to keep pace with business, evolving industry standards, regulatory requirements and other developments in the markets in which our customers operate; and
- integrate or further develop acquired products or technologies successfully or at all.

**The items reflected in the adjustments included in Standalone Adjusted EBITDA may not be achieved.**

We have made adjustments to net income (loss) to calculate Standalone Adjusted EBITDA. These adjustments reflect certain items related to our transition to a standalone operation since our 2016 separation from Thomson Reuters. For example, in calculating Standalone Adjusted EBITDA, we have added back, among other things, the annualization effect of cost savings implementation during the year and excess standalone costs, certain restructuring and integration costs, acquisition-related costs and other unusual and/or non-recurring items. We cannot provide assurance that our estimates and assumptions in calculating Standalone Adjusted EBITDA will prove to be accurate. For example, we believe that the standalone costs that we have incurred to date and expect to incur through 2020 are not reflective of the standalone costs that we expect that we will incur starting in 2021 and onwards (“steady state standalone costs”). As a result, we have made an adjustment when calculating Standalone Adjusted EBITDA to reflect the excess of current standalone costs to steady state standalone costs. If the actual annualized effect of cost savings we have implemented is less than our estimates, our cost savings initiatives adversely affect our operations or cost more or take longer to implement than we project, our steady state standalone costs are higher than our estimates, and/or if our assumptions prove to be inaccurate, our Standalone Adjusted EBITDA will be lower than we anticipate.
We may be unable to achieve some or all of the operational cost improvements and other benefits that we expect to realize.

We may not be able to realize all of the cost savings we expect to achieve. We believe that we will be able to achieve additional annual cost savings as a result of other initiatives, particularly by pursuing a number of operational cost improvements identified during diligence, increased overall focus on cost control as a stand-alone company and certain ongoing restructuring initiatives we plan to undertake. We cannot assure you that we will be able to successfully realize the expected benefits of these initiatives. A variety of risks could cause us not to realize some or all of the expected benefits. These risks include, among others, higher than expected standalone overhead expenses, delays in the anticipated timing of activities related to such initiatives, increased difficulty and cost in establishing ourselves as an independent company, lack of sustainability in cost savings over time, unexpected costs associated with operating our business, inability to eliminate duplicative back office overhead or redundant selling and general and administrative functions and inability to avoid labor disruptions in connection with any integration of the foregoing, particularly in connection with any headcount reductions. Our ability to successfully manage organizational changes is important for our future business success. In particular, our reputation and results of operations could be harmed if employee morale, engagement or productivity decline as a result of organizational or other changes.

Moreover, our implementation of these initiatives may disrupt our operations and performance, and our estimated cost savings from these initiatives are based on several assumptions that may prove to be inaccurate and, as a result, we cannot assure you that we will realize these cost savings. If, for any reason, the benefits we realize are less than our estimates, or our improvement initiatives adversely affect our operations or cost more or take longer to implement than we project, or if our assumptions prove inaccurate, our results of operations may be materially adversely affected.

We are dependent on third parties, including public sources, for data, information and other services, and our relationships with such third parties may not be successful or may change, which could adversely affect our results of operations.

Substantially all of our products and services are developed using data, information or services obtained from third-party providers and public sources, or are made available to our customers or are integrated for our customers’ use through information and technology solutions provided by third-party service providers.

We have commercial relationships with third-party providers whose capabilities complement our own and, in some cases, these providers are also our competitors. The priorities and objectives of these providers, particularly those that are our competitors, may differ from ours, which may make us vulnerable to unpredictable price increases and unfavorable licensing terms. Agreements with such third-party providers periodically come up for renewal or renegotiation, and there is a risk that such negotiations may result in different rights and restrictions which could impact our customers’ use of the content. Moreover, providers that are not currently our competitors may become competitors or be acquired by or merge with a competitor in the future, any of which could reduce our access to the information and technology solutions provided by those companies. If we were to expand our product and service offerings, whether through organic growth or acquisitions, we may launch products and services that compete with providers that are not currently our competitors, which could negatively impact our relationships. If we do not maintain, or obtain the expected benefits from, our relationships with third-party providers or if a substantial number of our third-party providers or any key service providers were to withdraw their services, we may be less competitive, our ability to offer products and services to our customers may be negatively affected, and our results of operations could be adversely impacted.

We also depend on public sources in the development of our products and services. These public sources are usually free to access or are available at minimal cost, and do not compete directly with our products and services. If such public sources were to begin competing with us directly, or were to increase the cost to access their data, prohibit us from collecting and synthesizing the data they provide or cease existing altogether, our results of operations could be adversely impacted.
Increased accessibility to free or relatively inexpensive information sources may reduce demand for our products and services.

In recent years, more public sources of free or relatively inexpensive information have become available, particularly through the Internet, and this trend is expected to continue. For example:

- some governmental and regulatory agencies have increased the amount of information they make publicly available at no cost;
- several companies and organizations have made certain information publicly available at little or no cost; and
- “open source” software that is available for free may also provide some functionality similar to that in some of our products.

Public sources of free or relatively inexpensive information may reduce demand for our products and services. Demand could also be reduced as a result of cost-cutting, reduced spending or reduced activity by customers. Our results of operations would be adversely affected if our customers choose to use these public sources as a substitute for our products or services.

We generate a significant percentage of our revenues from recurring subscription-based arrangements, and if we are unable to maintain a high annual revenue renewal rate, our results of operations could be adversely affected.

For the year ended December 31, 2019, approximately 82.6% of our revenues were subscription-based. In order to maintain existing revenues and to generate higher revenues, we are dependent on a significant number of our customers renewing their arrangements with us. Although many of these arrangements have automatic renewal provisions, with appropriate notice these arrangements are cancellable and our customers have no obligation to renew their subscriptions after the expiration of their initial subscription period. As a result, our past annual revenue renewal rates may not be indicative of our future annual revenue renewal rates, and our annual revenue renewal rates may decline or fluctuate in the future as a result of a number of factors, including customer satisfaction with our products and services, our prices and the prices offered by competitors, reductions in customer spending levels and general economic conditions. Our revenues could also decline if a significant number of our customers renewed their arrangements with us, but reduced the amount of their spending.

In addition, because most of the revenues we report in each quarter are the result of subscription agreements entered into or renewed in previous quarters, a decline in subscriptions in any one quarter may not affect our results in that quarter, but could reduce revenues in future quarters. We may not be able to adjust our cost structure in response to sustained or significant downturns in revenues. Moreover, renewal dates for our subscription agreements are typically concentrated in the first quarter. Adverse events impacting us or our customers occurring in the first quarter may result in us failing to secure subscription agreement renewals, which would have a disproportionately adverse effect on our financial condition and results of operations in future periods.

Failure to protect the reputation of our brands may adversely impact our credibility as a trusted source of content and may have a negative impact on our business. In addition, in certain jurisdictions we engage sales agents in connection with the sale of certain of our products and services. It is difficult to monitor whether such agents’ representation of our products and services is accurate. Poor representation of our products and services by agents, or entities acting without our permission, could have an adverse effect on our reputation and our business.

Any significant disruption in or unauthorized access to our computer systems or those of third parties that we utilize in our operations, including those relating to cybersecurity or arising from cyber-attacks, could result in a loss or degradation of our products or services, unauthorized disclosure of data or our customers losing confidence in our security measures, which could adversely impact our business.

Our reputation and ability to attract, retain and serve our customers is dependent upon the reliable performance and security of our computer systems and those of third parties that we utilize in our operations. These systems may be subject to damage or interruption from natural disasters, terrorist attacks, power loss, telecommunications failures and cybersecurity risks.

Our computer systems and those of third parties we use in our operations are vulnerable to cybersecurity risks, including cyber-attacks, both from state-sponsored entities and individual activity, such as computer viruses, denial of service attacks, physical or electronic break-ins and similar disruptions. We have implemented certain systems and processes to thwart hackers and protect our data and systems; however, these systems and processes may not be effective and may have the unintentional effect of reducing the functionality of our operations. Any significant disruption to our operations or access to our systems could result in a loss of customers and adversely affect our business and results of operations.
Our ability to effectively use the Internet may also be impaired due to system or infrastructure failures, service outages at third-party Internet providers or increased government regulation, and such impairment may result in shortage of capacity and increased costs associated with such usage. These events may affect our ability to store, process and transmit data and services to our customers.

We collect, store and use public records, IP and sensitive data. In addition, our internal systems contain confidential information, our proprietary business information and personally identifiable information of our employees and customers. A number of our customers and suppliers also entrust us with storing and securing their own confidential data and information. Similar to other global multinational companies that provide services online, we experience cyber-threats, cyber-attacks and other attempts to breach the security of our systems, which can include unauthorized attempts to access, disable, improperly modify or degrate our information, systems and networks, the introduction of computer viruses and other malicious codes and fraudulent “phishing” e-mails that seek to misappropriate data and information or install malware onto users’ computers. Cyber-threats in particular vary in technique and sources, are persistent, frequently change and increasingly are more sophisticated, targeted and difficult to detect and prevent. In particular, our MarkMonitor brand of products, which are used to detect and protect against domain name infringements, have been, and will continue to be, the target of cyber-attacks due to the nature of the offering they provide.

Under the transition services agreement with Thomson Reuters, we relied on dedicated Thomson Reuters personnel who were responsible for maintaining appropriate levels of cyber-security for products and services hosted in Thomson Reuters data centers. In order to comply with Thomson Reuters’ system access requirements and procedures, only Thomson Reuters’ information security personnel could provide support for products and services hosted in Thomson Reuters data centers. We have gradually transitioned away from this arrangement and hired our own information security personnel. These information security personnel are still relatively new to us and may not be able to provide the same level of support that Thomson Reuters personnel previously provided. We also utilize third-party technology, products and services to help identify, protect and remediate our information technology systems and infrastructure against security breaches and cyber-incidents. However, our measures may not be adequate or effective to prevent, identify or mitigate attacks or breaches caused by employee error, malfeasance or other disruptions. In addition, we rely on a system of internal processes and software controls, along with policies, procedures and training to protect the confidentiality of customer data. If we fail to maintain the adequacy of our internal controls, if an employee, consultant or third-party provider purposely circumvents or violates our internal controls, policies or procedures or if we fail to adequately address the requirements of our customers’ internal controls, policies or procedures, as a result of contractural requirements or otherwise, then unauthorized access to, or disclosure or misappropriation of, customer data could occur.

Any fraudulent, malicious or accidental breach of data security could result in unintentional disclosure of, or unauthorized access to, customer, vendor, employee or other confidential or sensitive data or information, which could potentially result in additional costs to our company to enhance security or to respond to occurrences, lost sales, violations of privacy or other laws, notifications to individuals, penalties or litigation. While we maintain what we believe is sufficient insurance coverage that may (subject to certain policy terms and conditions including self-insured deductibles) cover certain aspects of security and cyber-risks and business interruption, our insurance coverage may not cover all costs or losses. Additionally, any fraudulent, malicious or accidental breach of data security could result in our disclosing valuable trade secrets, know-how or other confidential information. Media or other reports of perceived security vulnerabilities to our systems or those of our third-party suppliers, even if no breach has been attempted or occurred, could also adversely impact our brand and reputation and cause customers to lose confidence in our security measures and reliability, which would harm our ability to retain customers and gain new ones, and materially impact our business and results of operations.
We rely upon a third party cloud computing service to support our operations, and any disruption of or interference with our use of such service or material change to our arrangement with this provider could adversely affect our business.

We currently host the vast majority of our computing on a distributed computing infrastructure platform for business operations, or what is commonly referred to as a “cloud” computing service, and have completed the migration of our product and services platform from Thomson Reuters to a third party cloud computing service.

We do not have control over the operations of the facilities of the third party cloud computing service that we use. These facilities are vulnerable to damage or interruption from natural disasters, cyber security attacks, including ransomware attacks, terrorist attacks, power losses, telecommunications failures, or other unanticipated problems which could result in lengthy interruptions to our operations. In the event of damage or interruption, our insurance policies may not adequately compensate us for any losses that we may incur. These facilities could also be subject to break-ins, computer viruses, sabotage, intentional acts of vandalism, and other misconduct. Our uninterrupted use of this third party cloud computing service is critical to our success. This, coupled with the fact that we cannot easily switch our cloud computing operations to another cloud provider, means that any disruption of or interference with our use of our current third party cloud computing service could disrupt our operations and our business would be adversely impacted.

Our third party cloud computing service provider provides us with their standard computing and storage capacity, service level agreements, and related support in exchange for timely payment by us under the terms of our agreement, which continues until terminated by either party. Such provider may terminate the agreement without cause by providing 90 days’ prior written notice, and may terminate the agreement with 30 days’ prior written notice for cause, including any material default or breach of the agreement by us that we do not cure within the 30-day period. If any of our arrangements with our third party cloud computing service provider are terminated, we could experience interruptions in our products and services, as well as delays and additional expenses in arranging new facilities and services.

Our third party cloud computing service provider does not have an obligation to renew its agreements with us on commercially reasonable terms, or at all. If we are unable to renew our agreements on commercially reasonable terms, our agreements are prematurely terminated, or we add additional infrastructure providers, we may experience costs or downtime in connection with the transfer to, or the addition of, new data center providers. If these providers increase the cost of their services, we may have to increase fees to our customers, and our operating results may be adversely impacted.

We may be unable to derive fully the anticipated benefits from organic growth, existing or future acquisitions, joint ventures, investments or dispositions.

We seek to achieve our growth objectives by (i) optimizing our offerings to meet the needs of our customers through organic development, including by delivering integrated workflow platforms, cross-selling our products across our existing customer base, acquiring new customers and implementing operational efficiency initiatives, (ii) through acquisitions, joint ventures, investments and dispositions and (iii) through implementing our transformational strategy in connection with our merger with Churchill Capital Corp in 2019. If we are unable to successfully execute on our strategies to achieve our growth objectives or drive operational efficiencies, or if we experience higher than expected operating costs that cannot be adjusted accordingly, our growth rates and profitability could be adversely affected.

Acquisitions have not historically been a significant part of our growth strategy; however, going forward, we expect to evaluate and, where appropriate, opportunistically undertake acquisitions. To the extent that we seek to grow our business through acquisitions, we may not be able to successfully identify attractive acquisition opportunities or make acquisitions on terms that are satisfactory to our company from a commercial perspective. In addition, competition for acquisitions in the markets in which we operate during recent years has increased, and may increase costs of acquisitions or cause us to refrain from making certain acquisitions. We may also be subject to increasing regulatory scrutiny from competition and antitrust authorities in connection with acquisitions. Achieving the expected returns and synergies from existing and future acquisitions will depend in part upon our ability to integrate the products and services, technology, administrative functions and personnel of these businesses into our Product Lines in an efficient and effective manner. We cannot assure you that we will be able to do so, or that our acquired businesses will perform at anticipated levels or that we will be able to obtain these synergies. Management resources may also be diverted from operating our existing businesses to certain acquisition integration challenges. If we are unable to successfully integrate acquired businesses, our anticipated revenues and profits may be lower. Our profit margins may also be lower, or diluted, following the acquisition of companies whose profit margins are less than those of our existing businesses.
In addition, we may incur earn-out and contingent consideration payments in connection with future acquisitions, which could result in a higher than expected impact on our future earnings. We may also finance future transactions through debt financing, including significant draws on our revolving credit facility or use of any incremental capacity under our term loan facility, the issuance of our ordinary shares, the use of existing cash, or any combination of the foregoing. Acquisitions financed with debt could require us to dedicate a substantial portion of our cash flows to principal and interest payments and could subject us to restrictive covenants. Future acquisitions financed with our own cash could further deplete the cash and working capital available to fund our operations adequately. Difficulty borrowing funds, selling securities or generating sufficient cash from operations to finance our activities may have a material adverse effect on our results of operations.

We may also decide from time to time to dispose of assets or Product Lines that are no longer aligned with strategic objectives and we deem to be non-core. Once a decision to divest has been made, there can be no assurance that a transaction will occur, or if a transaction does occur, there can be no assurance as to the potential value created by the transaction. The process of exploring strategic alternatives or selling a business could negatively impact customer decision-making and cause uncertainty and negatively impact our ability to attract, retain and motivate key employees. In addition, we expend costs and management resources to complete divestitures. Any failures or delays in completing divestitures could have an adverse effect on our financial results and on our ability to execute our strategy.

**The international scope of our operations may expose us to increased risk, and our international operations and corporate and financing structure may expose us to potentially adverse tax consequences.**

We have international operations and, accordingly, our business is subject to risks resulting from differing legal and regulatory requirements, political, social and economic conditions and unforeseeable developments in a variety of jurisdictions. Our international operations are subject to the following risks, among others:

- political instability;
- international hostilities, military actions, terrorist or cyber-terrorist activities, natural disasters, pandemics, and infrastructure disruptions;
- differing economic cycles and adverse economic conditions;
- unexpected changes in regulatory environments and government interference in the economy;
- changes to economic sanctions laws and regulations, including regulatory exemptions that currently authorize certain of our limited dealings involving sanctioned countries;
- varying tax regimes, including with respect to the imposition of withholding taxes on remittances and other payments by our partnerships or subsidiaries;
- differing labor regulations, particularly in India where we have a significant number of employees;
- foreign exchange controls and restrictions on repatriation of funds;
- fluctuations in currency exchange rates;
- inability to collect payments or seek recourse under or comply with ambiguous or vague commercial or other laws;
- insufficient protection against product piracy and differing protections for IP rights;
- varying attitudes towards censorship and the treatment of information service providers by foreign governments, in particular in emerging markets;
- difficulties in attracting and retaining qualified management and employees, or rationalizing our workforce;
- differing business practices, which may require us to enter into agreements that include non-standard terms; and
- difficulties in penetrating new markets due to entrenched competitors, lack of recognition of our brands or lack of local acceptance of our products and services.
Our overall success as a global business depends, in part, on our ability to anticipate and effectively manage these risks, and there can be no assurance that we will be able to do so without incurring unexpected costs. If we are not able to manage the risks related to our international operations, our business, financial condition and results of operations may be materially affected.

We have expanded our presence in a number of major regions, including China, and any future actions or escalations by either the United States or China that affect trade relations may cause global economic turmoil and potentially have a negative impact on our business. In particular, we may have access to fewer business opportunities and our operations in that region may be negatively impacted.

As a result of the international scope of our operations and our corporate and financing structure, we are subject to taxation in, and to the tax laws and regulations of, multiple jurisdictions. We are also subject to intercompany pricing laws, including those relating to the flow of funds between our companies pursuant to, for example, purchase agreements, licensing agreements or other arrangements. Adverse developments in these laws or regulations, or any change in position regarding the application, administration or interpretation of these laws or regulations in any applicable jurisdiction, could have a material adverse effect on our business, financial condition and results of operations. Furthermore, changes in or the interpretations of the tax laws or tax treaties of the countries in which we operate may severely and adversely affect our ability to efficiently realize income or capital gains or mitigate withholding taxes and may subject us to tax and return filing obligations in such countries. Such changes may increase our tax burden and/or may cause us to incur additional costs and expenses in compliance with such changes. In addition, the tax authorities in any applicable jurisdiction may disagree with the positions we have taken or intend to take regarding the tax treatment or characterization of any of our transactions, including the tax treatment or characterization of our indebtedness. If any applicable tax authorities were to successfully challenge the tax treatment or characterization of any of our transactions, it could result in the disallowance of deductions, the imposition of withholding taxes, the reallocation of income or other consequences that could have a material adverse effect on our business, financial condition and results of operations. Furthermore, changes in or the interpretations of the tax laws or tax treaties of the countries in which we operate may severely and adversely affect our ability to efficiently realize income or capital gains or mitigate withholding taxes and may subject us to tax and return filing obligations in such countries. Such changes may increase our tax burden and/or may cause us to incur additional costs and expenses in compliance with such changes. In addition, the tax authorities in any applicable jurisdiction may disagree with the positions we have taken or intend to take regarding the tax treatment or characterization of any of our transactions, including the tax treatment or characterization of our indebtedness. If any applicable tax authorities were to successfully challenge the tax treatment or characterization of any of our transactions, it could result in the disallowance of deductions, the imposition of withholding taxes, the reallocation of income or other consequences that could have a material adverse effect on our business, financial condition and results of operations.

In addition, the U.S. Congress, the UK Government, the Organization for Economic Co-operation and Development (the “OECD”), and other government agencies in jurisdictions where we and our affiliates do business have had an extended focus on issues related to the taxation of multinational corporations. Also, within the EU, the European Council Directive 2016/1164 (Anti-Tax Avoidance Directive (“ATAD”)) and Directive 2017/952 (“ATAD II”) required EU member states to transpose certain measures affecting multinational corporations into national legislation by December 31, 2019. Further, the introduction of a digital services tax, which at the date hereof has not yet been formally implemented in these jurisdictions, may increase our tax burden which and could adversely affect our business, financial condition and results of operations.

Our international operations require us to comply with various trade restrictions, such as sanctions and export controls.

We are subject to various trade restrictions, including trade and economic sanctions and export controls (collectively, “Trade Controls”), imposed by governments around the world with jurisdiction over our operations. Such Trade Controls prohibit or restrict transactions involving certain persons and certain designated countries or territories, including Cuba, Iran, Syria, North Korea and the Crimea Region of Ukraine. Our failure to successfully comply with applicable Trade Controls may expose us to legal, business or reputational harm, possibly including criminal fines, imprisonment, civil penalties, disgorgement of profits, injunctions, debarment from government contracts and other measures. Investigations of alleged violations can be expensive and disruptive.

As part of our business, we engage in limited sales and transactions involving certain countries that are targets of Trade Controls. We believe that such sales and transactions are authorized by applicable regulatory exemptions. Under the informational materials exemption to the U.S. economic sanction programs, we are permitted to make certain sales to Iran, Cuba and Syria.

We endeavor to conduct our activities in compliance with applicable Trade Controls and maintain policies and procedures reasonably designed to promote compliance. However, we cannot guarantee that our policies and procedures will be effective in preventing violations, which could adversely affect our business, reputation, financial condition and results of operations. Further, we cannot predict the nature, scope or effect of future regulatory requirements, including changes that may affect existing regulatory exceptions, and we cannot predict the manner in which existing laws and regulations might be administered or interpreted.
Doing business on a worldwide basis requires us to comply with anti-corruption laws and regulations imposed by governments around the world with jurisdiction over our operations, which may include the U.S. Foreign Corrupt Practices Act (“FCPA”) and the UK Bribery Act 2010 (“UK Bribery Act”), as well as the laws of the countries where we do business. These laws and regulations may restrict our operations, trade practices, investment decisions and partnering activities. The FCPA, the UK Bribery Act and other applicable laws prohibit us and our officers, directors, employees and business partners acting on our behalf, including agents, from corruptly offering, promising, authorizing or providing anything of value to “foreign officials” for the purposes of influencing official decisions or obtaining or retaining business or otherwise obtaining favorable treatment. The UK Bribery Act also prohibits non-governmental “commercial” bribery and accepting bribes. As part of our business, we deal with governments and state-owned business enterprises, the employees and representatives of which may be considered “foreign officials” for purposes of the FCPA and the UK Bribery Act. We also are subject to the jurisdiction of various governments and regulatory agencies around the world, which may bring our personnel and representatives into contact with “foreign officials” responsible for issuing or renewing permits, licenses or approvals or for enforcing other governmental regulations.

In addition, some of the international locations in which we operate lack a developed legal system and have elevated levels of corruption. Our international operations expose us to the risk of violating, or being accused of violating, anti-corruption laws and regulations. Our failure to successfully comply with these laws and regulations may expose us to reputational harm, as well as significant sanctions, including criminal fines, imprisonment, civil penalties, disgorgement of profits, injunctions and debarment from government contracts, as well as other remedial measures. Investigations of alleged violations can be expensive and disruptive. We maintain policies and procedures designed to comply with applicable anti-corruption laws and regulations. However, there can be no guarantee that our policies and procedures will effectively prevent violations by our employees or business partners acting on our behalf, including agents, for which we may be held responsible, and any such violation could adversely affect our reputation, business, financial condition and results of operations.

Brexit may have a negative effect on global economic conditions, financial markets and our business.

We have material business operations in Europe, and our headquarters is in the United Kingdom which is currently undergoing the process of “Brexit”, or withdrawal from the European Union. Although we generated only approximately 4.4% of our revenues in the United Kingdom for the year ended December 31, 2019, Brexit-related developments and the potential consequences of them, have had and may continue to have a material adverse effect upon global economic conditions and the stability of global financial markets, and could significantly reduce global market liquidity and restrict the ability of key market participants to operate in certain financial markets. Asset valuations, currency exchange rates and credit ratings have been and may continue to be subject to increased market volatility. Lack of clarity about future United Kingdom laws and regulations as the United Kingdom determines which European Union laws to replace or replicate, including financial laws and regulations, tax and free trade agreements, tax and customs laws, intellectual property rights, environmental, health and safety laws and regulations, immigration laws, employment laws and transport laws could increase costs, depress economic activity, restrict our access to capital, impair our ability to attract and retain qualified personnel and have other adverse consequences. If the United Kingdom and the European Union are unable to negotiate acceptable withdrawal terms, barrier-free access between the United Kingdom and other European Union member states or among the European economic area overall could be diminished or eliminated. Any of these factors could have a material adverse effect on our business, financial condition and results of operations and reduce the price of our ordinary shares.

If governments or their agencies reduce their demand for our products or services or discontinue or curtail their funding, our business may suffer. Moreover, if we fail to comply with government contracting regulations, we could suffer a loss of revenues or incur price adjustments or other penalties.

The principal customers for certain of the products and services offered by our Web of Science Product Line are universities and government agencies, which fund purchases of these products and services from limited budgets that are sensitive to changes in private and governmental sources of funding. Recession, economic uncertainty or austerity have contributed, and may in the future contribute, to reductions in spending by such sources. Accordingly, any further decreases in budgets of universities or government agencies, which have remained under pressure, or changes in the spending patterns of private or governmental sources that fund academic institutions, are likely to adversely affect our results of operations.
In addition, we are subject to government procurement and contracting regulations, including the Federal Acquisition Regulation (the “FAR”). The FAR governs U.S. government contract pricing, including the establishment of fixed prices and labor categories/fixed hourly rates for the performance of certain of our U.S. government contracts. Under the FAR, certain contract pricing may be subject to change. Additionally, under the FAR, the U.S. government is entitled, after final payment on certain negotiated contracts, to examine our cost records with respect to such contracts and to seek a downward adjustment to the price of the contract if it determines that we failed to furnish complete, accurate and current cost or pricing data in connection with the negotiation of the price of the contract.

In connection with our U.S. government contracts, we are also subject to government inquiries, audits and review of our performance under contracts, our related cost structure and compliance with applicable laws, regulations and standards. The U.S. government contracting entity may also review the adequacy of and our compliance with our internal policies, procedures and internal controls. The U.S. government contracting party may modify, curtail or terminate its contracts and subcontracts with us, without prior notice and either at its convenience or for default based on performance. In addition, funding pursuant to our U.S. government contracts may be reduced or withheld as part of the U.S. Congressional appropriations process due to fiscal constraints, changing U.S. priorities or due to other reasons. Further, as a U.S. government contractor, we are subject to U.S. government inquiries, investigations, legal actions and liabilities that would not apply to a non-U.S. government contractor. In certain circumstances, if we do not comply with the terms of a contract or with regulations or statutes, our U.S. government contracts could be terminated, we could be subject to downward contract price adjustments or refund obligations, we could be assessed civil or criminal penalties (including under the False Claims Act) or we could be debarred or suspended from obtaining future contracts with the U.S. government for a specified period of time. In addition, funding pursuant to our U.S. government contracts may be reduced or withheld as part of the U.S. Congressional appropriations process due to fiscal constraints, changing U.S. priorities or due to other reasons. Further, as a U.S. government contractor, we are subject to U.S. government inquiries, investigations, legal actions and liabilities that would not apply to a non-U.S. government contractor. In certain circumstances, if we do not comply with the terms of a contract or with regulations or statutes, our U.S. government contracts could be terminated, we could be subject to downward contract price adjustments or refund obligations, we could be assessed civil or criminal penalties (including under the False Claims Act) or we could be debarred or suspended from obtaining future contracts with the U.S. government for a specified period of time.

Our collection, storage and use of personal data are subject to applicable data protection and privacy laws, and any failure to comply with such laws may harm our reputation and business or expose us to fines and other enforcement action.

In the ordinary course of business, we collect, store, use and transmit certain types of information that are subject to different laws and regulations. In particular, data security and data protection laws and regulations that we are subject to often vary significantly by jurisdiction.

For example, the new EU-wide General Data Protection Regulation (“GDPR”) became applicable on May 25, 2018, replacing the data protection laws of each EU member state. The GDPR implemented more stringent operational requirements for processors and controllers of personal data, including, for example, expanded disclosures about what and how personal information is to be used, limitations on retention of information, increased requirements to erase an individual’s information upon request, mandatory data breach notification requirements and higher standards for data controllers to demonstrate that they have obtained valid consent from individuals to process their personal data (or reliance on another appropriate legal basis) for certain data processing activities. It also significantly increased penalties for noncompliance, including where we act as a data processor. Although we have executed intracompany “Standard Contractual Clauses” in compliance with the GDPR, which allow for the transfer of personal data from the EU to other jurisdictions (including the United States), data security and data protection laws and regulations are continuously evolving. There are currently a number of legal challenges to the validity of EU mechanisms for adequate data transfers (such as the Privacy Shield Framework and the Standard Contractual Clauses), and our work could be impacted by changes in law as a result of a future review of these transfer mechanisms by European regulators under the GDPR, as well as current challenges to these mechanisms in the European courts. Brexit may also mean that we are required to take additional steps to ensure that data flows from EU members states to the United Kingdom are not disrupted and remain permissible after the exit date.
In recent years, U.S. and European lawmakers and regulators have expressed concern over electronic marketing and the use of third-party cookies, web beacons and similar technology for online behavioral advertising. In the EU, marketing is defined broadly to include any promotional material and the rules specifically on e-marketing are currently set out in the ePrivacy Directive which will be replaced by a new ePrivacy Regulation. While no official time frame has been given for the ePrivacy Regulation, there will be a transition period after the ePrivacy Regulation is agreed for compliance, and commentators consider it unlikely to come into force before 2021. We are likely to be required to expend further capital and other resources to ensure compliance with these changing laws and regulations.

The ePrivacy Regulation will be directly implemented into the laws of each of the EU Member States, without the need for further enactment. When implemented, the ePrivacy Regulation is expected to alter rules on third-party cookies, web beacons and similar technology for online behavioral advertising and to impose stricter requirements on companies using these tools. Regulation of cookies and web beacons may lead to broader restrictions on our online activities, including efforts to understand followers’ Internet usage and promote ourselves to them. The current draft of the ePrivacy Regulation significantly increases fining powers to the same levels as the GDPR. Given the delay in finalizing the ePrivacy Regulation, certain EU regulators have issued guidance (including UK and French data protection regulators) on the requirement to seek strict opt-in, unbundled consent to use all nonessential cookies. We will need to make changes to our cookies notice to meet these requirements but we do not anticipate that the new regulation will significantly adversely affect us.

In addition, California has enacted the California Consumer Privacy Act, or CCPA, which became effective on January 1, 2020. The CCPA requires new disclosures to California consumers, imposes new rules for collecting or using information, requires companies to comply with data subject access and deletion requests, and affords California consumers new abilities to opt out of certain disclosures of personal information. It remains unclear what, if any, regulations will be implemented pursuant to the law or how it will be interpreted. However, as passed, the effects of the CCPA potentially are significant and may require us to modify our data collection or processing practices and policies and to incur substantial costs and expenses in an effort to comply.

Although we have implemented policies and procedures that are designed to ensure compliance with applicable laws, rules and regulations, if our privacy or data security measures fail to comply with applicable current or future laws and regulations, we may be subject to fines, litigation, regulatory investigations, enforcement notices requiring us to change the way we use personal data or our marketing practices or other liabilities such as compensation claims by individuals affected by a personal data breach, as well as negative publicity and a potential loss of business. Fines are significant in some countries (e.g., the GDPR introduced fines of up to €20,000,000 or up to 4% of the total worldwide annual turnover of the preceding financial year (whichever is higher)) as well as litigation, compensation claims by affected individuals (including class action type litigation where individuals suffer harm), regulatory investigations and enforcement notices requiring us to change the way we use personal data.

**Actions by governments that restrict access to our platform in their countries could substantially harm our business and financial results.**

Governments of one or more countries in which we operate from time to time seek to censor the Internet, restrict access to selected foreign websites from their country, or otherwise impose restrictions if they consider such information or the provision thereof is in violation of their laws or regulations.

Governmental authorities in other countries may seek to restrict user access to our products if they consider us to be in violation of their laws or for other reasons. In the event that the information and analytics provided on our platform is subject to censorship, or any governmental authorities restrict access to our products, or our competitors are able to successfully penetrate new geographic markets or capture a greater share of existing geographic markets that we cannot access or where we face restrictions, our ability to maintain or expand our geographical markets may be adversely affected, and our business operations and financial results could be adversely affected.
We may face IP infringement claims that could be costly to defend and result in our loss of significant rights.

From time to time, we may receive notices from third parties claiming infringement by our products and services of third-party patent and other IP rights. As the number of products and services in our markets increases and the functionality of these products and services further overlaps with third-party products and services, we may become increasingly subject to claims by a third party that our products and services infringe on such party’s IP rights. In addition, there is a growing occurrence of patent suits being brought by non-practicing organizations that use patents to generate revenues without manufacturing, promoting or marketing products or investing in R&D in bringing products to markets. These organizations continue to be active and target whole industries as defendants. We may not prevail in any such suit given the complex technical issues and inherent uncertainties in IP litigation. If an infringement suit against us is successful, we may be required to compensate the third party bringing the suit either by paying a lump sum or ongoing license fees to be able to continue selling a particular product or service. This type of compensation could be significant. We might also be prevented or enjoined by a court from continuing to provide the affected product or service and may be forced to significantly increase our development efforts and resources to redesign such product or service. We may also be required to defend or indemnify any customers, partners or agents who have been sued for allegedly infringing a third party’s patent in connection with using one of our products or services. Responding to IP claims, regardless of the validity, can be time-consuming for our personnel and management, result in costly litigation, cause product shipment delays, cause unavailability of our products or services delivered electronically and harm our reputation, any of which could adversely affect our results of operations.

We operate in a litigious environment which may adversely affect our financial results.

We may become involved in legal actions and claims arising in the ordinary course of business, including litigation regarding employment matters, breach of contract and other commercial matters. Due to the inherent uncertainty in the litigation process, the resolution of any particular legal proceeding could result in changes to our products and business practices and could have a material adverse effect on our financial position and results of operations.

We may need to recognize impairment charges related to goodwill, identified intangible assets and fixed assets.

We have substantial balances of goodwill and identified intangible assets. We are required to test goodwill and any other intangible assets with an indefinite life for possible impairment on an annual basis, or more frequently when circumstances indicate that impairment may have occurred. We are also required to evaluate amortizable intangible assets and fixed assets for impairment if there are indicators of a possible impairment.

Based on the results of the annual impairment test as of October 1, 2019, the fair values of our reporting units exceeded the individual reporting unit’s carrying value, and goodwill was not impaired. We did not identify any impairment triggers as of December 31, 2019, except for the sale of the Brand Protection, AntiPiracy, and AntiFraud solutions of the MarkMonitor Product Line. For information on the MarkMonitor Product Line sale, see “Item 8. – Financial Statements and Supplementary Data – Notes to the Consolidated Financial Statements – Note 5.”

There is significant judgment required in the analysis of a potential impairment of goodwill, identified intangible assets and fixed assets. If, as a result of a general economic slowdown, deterioration in one or more of the markets in which we operate or impairment in our financial performance and/or future outlook, the estimated fair value of our long-lived assets decreases, we may determine that one or more of our long-lived assets is impaired. An impairment charge would be recorded if the estimated fair value of the assets is lower than the carrying value and any such impairment charge could have a material adverse effect on our results of operations and financial position.
If we fail to maintain an effective system of disclosure controls and internal control over financial reporting, our ability to produce timely and accurate financial statements or comply with applicable regulations could be impaired.

The Sarbanes-Oxley Act requires, among other things, that we maintain effective disclosure controls and procedures and internal control over financial reporting. In particular, Section 404 of the Sarbanes-Oxley Act (“Section 404”) will require us to perform system and process evaluation and testing of our internal control over financial reporting to allow management to report on, and our independent registered public accounting firm to attest to, the effectiveness of our internal control over financial reporting. We will be required to provide an annual management report on the effectiveness of our internal control over financial reporting commencing with the annual report that we file for the fiscal year ended December 31, 2020. Pursuant to Section 404, once we are no longer an “emerging growth company,” we will also be required to include with such annual report an attestation report on internal control over financial reporting issued by our independent registered public accounting firm. At such time, our independent registered public accounting firm may issue a report that is adverse in the event, in their opinion, the Company has not maintained, in all material respects, effective internal control over financial reporting based on criteria established in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Any failure to maintain effective disclosure controls and internal control over financial reporting could have a material and adverse effect on our business, results of operations and financial condition and could cause a decline in the trading price of our ordinary shares.

We are continuing to develop and refine our disclosure controls and other procedures that are designed to ensure that information required to be disclosed by us in the reports that we will file with the SEC is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms and that information required to be disclosed in reports under the Exchange Act is accumulated and communicated to our principal executive and financial officers. We are also continuing to improve our internal control over financial reporting. In order to develop, maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, we have expended, and anticipate that we will continue to expend, significant resources, including accounting-related and audit-related costs and significant management oversight.

Our current controls and any new controls that we develop may become inadequate because of changes in conditions in our business. Further, weaknesses in our disclosure controls and internal control over financial reporting may be discovered in the future. Any failure to develop or maintain effective controls or any difficulties encountered in their implementation or improvement could harm our results of operations or cause us to fail to meet our reporting obligations and may result in a restatement of our consolidated financial statements for prior periods. Any failure to implement and maintain effective internal control over financial reporting could also adversely affect the results of periodic management evaluations and annual independent registered public accounting firm attestation reports regarding the effectiveness of our internal control over financial reporting that we will eventually be required to include in our periodic reports that will be filed with the SEC. Ineffective disclosure controls and procedures and internal control over financial reporting could also cause investors to lose confidence in our reported financial and other information, which would likely have a negative effect on the trading price of Clarivate shares. In addition, if we are unable to continue to meet these requirements, we may not be able to remain listed on the NYSE.

We have and will continue to have high levels of indebtedness and our relatively large fixed costs magnify the impact of revenues fluctuations on our operating results.

We had approximately $1,665,000 of indebtedness as of December 31, 2019, primarily consisting of $900,000 outstanding under our term loan facility, $700,000 outstanding under our secured notes due 2026, and $65,000 outstanding under our $250,000 revolving credit facility. These notes and credit facilities were originally entered into in October 2019. We used net proceeds from the sale of our secured notes due 2026, together with initial proceeds from our credit facilities to, among other things, redeem our prior 7.875% senior notes due 2024, refinance all amounts under our prior credit facilities, fund the termination of the tax receivable agreement and pay fees and expenses related to the foregoing. In February 2020, we repaid all amounts drawn under our revolving credit facility. In addition, we incurred an incremental $360,000 of term loans under our term loan facility in connection with the DRG acquisition.
Because borrowings under our term loan facility bear interest at variable rates, any increase in interest rates on debt that we have not fixed using interest rate hedges will increase our interest expense, reduce our cash flow or increase the cost of future borrowings or refinancings. Our indebtedness could have important consequences to our investors, including, but not limited to:

- increasing vulnerability to, and reducing its flexibility to respond to, general adverse economic and industry conditions;
- requiring the dedication of a substantial portion of cash flow from operations to the payment of principal of, and interest on, its indebtedness, thereby reducing the availability of such cash flow to fund working capital, capital expenditures, acquisitions, joint ventures or other general corporate purposes;
- limiting flexibility in planning for, or reacting to, changes in its business and the competitive environment; and
- limiting our ability to borrow additional funds and increasing the cost of any such borrowing.

Other than variable rate debt, we believe our business has relatively large fixed costs and low variable costs, which magnifies the impact of revenues fluctuations on our operating results. As a result, a decline in our revenues may lead to a relatively larger impact on operating results. A substantial portion of our operating expenses will be related to personnel costs, regulation and corporate overhead, none of which can be adjusted quickly and some of which cannot be adjusted at all. Our operating expense levels will be based on our expectations for future revenues. If actual revenues are below management’s expectations, or if our expenses increase before revenues do, both revenues less transaction-based expenses and operating results would be materially and adversely affected. Because of these factors, it is possible that our operating results or other operating metrics may fail to meet the expectations of stock market analysts and investors. If this happens, the market price of our ordinary shares may be adversely affected.

A downgrade to our credit ratings would increase our cost of borrowing and adversely affect our ability to access the capital markets.

Our cost of borrowing under our credit facilities and our ability and the terms under which we may access the credit markets are affected by credit ratings assigned to us by the major credit rating agencies. These ratings are premised on our performance under assorted financial metrics and other measures of financial strength, business and financial risk, industry conditions, timeliness of financial reporting, and other factors determined by the credit rating agencies. Our current ratings have served to lower our borrowing costs and facilitate access to a variety of lenders. However, there can be no assurance that our credit ratings or outlook will not be lowered in the future in response to adverse changes in these metrics and factors caused by our operating results or by actions that we take, that reduce our profitability, or that require us to incur additional indebtedness for items such as substantial acquisitions, significant increases in costs and capital spending in security and IT systems, significant costs related to settlements of litigation or regulatory requirements, or by returning excess cash to shareholders through dividends. A downgrade of our credit ratings would increase our cost of borrowing, negatively affect our ability to access the capital markets on advantageous terms, or at all, negatively affect the trading price of our securities, and have a significant negative impact on our business, financial condition, and results of operations.

We are a holding company that depends on cash flow from our subsidiaries to meet our obligations, and any restrictions on our subsidiaries’ ability to pay dividends or make other payments to us may have a material adverse effect on our results of operations and financial condition.

As a holding company, we require dividends and other payments from our subsidiaries to meet cash requirements. Minimum capital requirements mandated by regulatory authorities having jurisdiction over some of our regulated subsidiaries indirectly restrict the amount of dividends paid upstream. In addition, repatriations of cash from our subsidiaries may be subject to withholding, income and other taxes in various applicable jurisdictions. If our subsidiaries are unable to pay dividends and make other payments to us when needed, we may be unable to satisfy our obligations, which would have a material adverse effect on our business, financial condition and operating results.
Our articles of association contain anti-takeover provisions that could adversely affect the rights of our shareholders.

Our articles of association contain provisions to limit the ability of others to acquire control of our Company or cause us to engage in change of control transactions, including, among other things:

- provisions that authorize our board of directors, without action by our shareholders, to issue additional ordinary shares and preferred shares with preferential rights determined by our board of directors;
- provisions that permit only a majority of our board of directors or one or more of our shareholders who together hold at least 10% of the voting rights of our shareholders to call shareholder meetings;
- provisions that impose advance notice requirements, minimum shareholding periods and ownership thresholds, and other requirements and limitations on the ability of shareholders to propose matters for consideration at shareholder meetings; provided, however, such advance notice procedure will not apply to Onex, Baring or Jerre Stead or his successor (as the “Designated Shareholder” under the Director Nomination Agreement entered into in connection with our merger with Churchill Capital Corp) for so long as such person is entitled to nominate one or more members of our board of directors pursuant to our Shareholders Agreement or the Director Nomination Agreement; and
- a staggered board whereby our directors are divided into three classes, with each class subject to retirement and re-election once every three years on a rotating basis.

These provisions could have the effect of depriving our shareholders of an opportunity to sell their shares at a premium over prevailing market prices by discouraging third parties from seeking to obtain control of our company in a tender offer or similar transaction. With our staggered board of directors, at least two annual general meetings of shareholders will generally be required in order to effect a change in a majority of our directors. Our staggered board of directors can discourage proxy contests for the election of our directors and purchases of substantial blocks of our shares by making it more difficult for a potential acquirer to gain control of our board of directors in a relatively short period of time.

If a U.S. person is treated as owning at least 10% of our ordinary shares, such holder may be subject to adverse U.S. federal income tax consequences.

If a U.S. person is treated as owning (directly, indirectly or constructively) at least 10% of the value or voting power of our ordinary shares, such person may be treated as a “United States shareholder” with respect to us or to any of our subsidiaries that constitute a “controlled foreign corporation” (in each case, as such terms are defined under the Internal Revenue Code of 1986, as amended (the “Code”)). Certain United States shareholders of a controlled foreign corporation may be required to annually report and include in its U.S. taxable income, as ordinary income, its pro rata share of “Subpart F income,” “global intangible low-taxed income” and certain investments in U.S. property by controlled foreign corporations, whether or not we make any distributions to such United States shareholder. A failure by a United States shareholder to comply with its reporting obligations may subject the United States shareholder to significant monetary penalties and other adverse tax consequences, and may extend the statute of limitations with respect to the United States shareholder’s U.S. federal income tax return for the year for which such reporting was due. We cannot provide any assurances that we will assist investors in determining whether we or any of our non-U.S. subsidiaries are controlled foreign corporations or whether any investor is a United States shareholder with respect to any such controlled foreign corporations. We also cannot guarantee that we will furnish to United States shareholders information that may be necessary for them to comply with the aforementioned obligations. United States investors should consult their own advisors regarding the potential application of these rules to their investments in us. The risk of being subject to increased taxation may deter our current shareholders from increasing their investment in us and others from investing in us, which could impact the demand for, and value of, our ordinary shares.
If we are characterized as a passive foreign investment company for U.S. federal income tax purposes, our U.S. shareholders may suffer adverse tax consequences.

If 75% or more of our gross income in a taxable year, including our pro rata share of the gross income of any company, U.S. or foreign, in which we are considered to own, directly or indirectly, 25% or more of the shares by value, is passive income, then we will be a passive foreign investment company (“PFIC”) for U.S. federal income tax purposes. Alternatively, we will be considered to be a PFIC if at least 50% of our assets in a taxable year, averaged over the year and ordinarily determined based on fair market value and including our pro rata share of the assets of any company in which we are considered to own, directly or indirectly, 25% or more of the shares by value, are held for the production of, or produce, passive income. Once treated as a PFIC, for any taxable year in which a U.S. Holder owns equity in such foreign corporation, a foreign corporation will generally continue to be treated as PFIC for all subsequent taxable years with respect to such U.S. Holder. If we were to be a PFIC, and a U.S. Holder does not make an election to treat us as a qualified electing fund (“QEF”) or a “mark-to-market” election, “excess distributions” to a U.S. Holder, and any gain recognized by a U.S. Holder on a disposition of our ordinary shares, would be taxed in an unfavorable way. Among other consequences, our dividends would be taxed at the regular rates applicable to ordinary income, rather than the 20% maximum rate applicable to certain dividends received by an individual from a qualified foreign corporation, and, to the extent that they constituted excess distributions, certain “interest” charges may apply. In addition, gains on the sale of our shares would be treated in the same way as excess distributions. The tests for determining PFIC status are applied annually and it is difficult to make accurate predictions of future income and assets, which are relevant to the determination of PFIC status. Based on the current composition of our income and assets, we do not believe that we were a PFIC in 2019, and do not currently expect to become a PFIC in the future. However, because the PFIC asset and income tests are applied on an annual basis, there can be no assurance that we will not be a PFIC in the current taxable year or any future taxable year. If we do become a PFIC in the future, U.S. Holders who hold ordinary shares during a period when we are a PFIC will be subject to the foregoing rules, even if we cease to be a PFIC, subject to exceptions for U.S. Holders who made a timely QEF mark-to-market election, or certain other elections. We do not currently intend to prepare or provide the information that would enable you to make a QEF election. Accordingly, our shareholders are urged to consult their tax advisors regarding the application of PFIC rules.

Future resales of our ordinary shares and/or warrants may cause the market price of our securities to drop significantly, even if our business is doing well.

Onex, Baring and other parties have been granted rights pursuant to a registration rights agreement to require us to register, in certain circumstances, the resale under the Securities Act of ordinary shares of us or warrants held by them, subject to certain conditions. The sale or possibility of sale of these ordinary shares and/or warrants could have the effect of increasing the volatility in our share price or putting significant downward pressure on the price of our ordinary shares and/or warrants.

We may issue additional ordinary shares or other equity securities without your approval, which would dilute your ownership interests and may depress the market price of Clarivate’s ordinary shares.

As of December 31, 2019 we have warrants outstanding to purchase an aggregate of 52,699,886 ordinary shares, that includes 34,399,886 public warrants and approximately 18,300,000 private warrants. During the period January 1, 2020 through February 21, 2020, 24,132,666 of the Company’s outstanding warrants were exercised for one ordinary share per whole warrant at a price of $11.50 per share and on February 20, 2020, we issued a notice to redeem all remaining outstanding public warrants that would result in 4,749,616 shares being issued (assuming all such public warrants called for redemption on March 23, 2020 are exercised prior to redemption). In addition, certain of our current and former employees and service providers hold options to purchase ordinary shares pursuant to the Clarivate Analytics Plc 2019 Incentive Award Plan. Pursuant to this plan, Clarivate may issue an aggregate of up to 60,000,000 ordinary shares, which amount may be subject to increase from time to time. Clarivate may also issue additional ordinary shares or other equity securities of equal or senior rank in the future in connection with, among other things, future acquisitions or repayment of outstanding indebtedness, without shareholder approval, in a number of circumstances.

Our issuance of additional ordinary shares or other equity securities of equal or senior rank would have the following effects:

- our existing shareholders’ proportionate ownership interest in us will decrease;
- the amount of cash available per share, including for payment of dividends in the future, may decrease;
- the relative voting strength of each previously outstanding ordinary share may be diminished; and
- the market price of our ordinary shares may decline.
You may face difficulties in protecting your interests as a shareholder, as Jersey law provides substantially less protection when compared to the laws of the United States.

We are incorporated under Jersey law. The rights of holders of ordinary shares are governed by Jersey law, including the provisions of the Companies (Jersey) Law 1991, as amended (the “Jersey Companies Law”), and by our articles of association. These rights differ in certain respects from the rights of shareholders in typical U.S. corporations.

It may be difficult to enforce a U.S. judgment against us or our directors and officers outside the United States, or to assert U.S. securities law claims outside of the United States.

A number of our directors and executive officers are not residents of the United States, and the majority of our assets and the assets of these persons are located outside the United States. As a result, it may be difficult or impossible for investors to effect service of process upon us within the United States or other jurisdictions, including judgments predicated upon the civil liability provisions of the federal securities laws of the United States. Additionally, it may be difficult to assert U.S. securities law claims in actions originally instituted outside of the United States. Foreign courts may refuse to hear a U.S. securities law claim because foreign courts may not be the most appropriate forum in which to bring such a claim. Even if a foreign court agrees to hear a claim, it may determine that the law of the jurisdiction in which the foreign court resides, and not U.S. law, is applicable to the claim. Further, if U.S. law is found to be applicable, the content of applicable U.S. law must be proved as a fact, which can be a time-consuming and costly process, and certain matters of procedure would still be governed by the law of the jurisdiction in which the foreign court resides.

Uncertainty relating to the likely phasing out of LIBOR by 2021 may result in our paying increased interest under our credit facilities.

In July 2017, the U.K. Financial Conduct Authority, which regulates LIBOR, announced that it will no longer persuade or compel banks to submit rates for the calculation of LIBOR after 2021. As a result, the continuation of LIBOR on its current basis is not guaranteed after 2021, and currently it appears highly likely that LIBOR will be discontinued or substantially modified by 2021.

Borrowings under our credit facilities bear interest at rates determined using LIBOR as the reference rate. At this time, it is not possible to predict the effect that any discontinuance, modification or other reform of LIBOR or any other reference rate, or the establishment of alternative reference rates, may have on LIBOR, other benchmarks, or LIBOR-based debt instruments such as our credit facilities. However, the use of alternative reference rates or other reforms could cause the interest rates payable under our credit facilities to be substantially higher than we would otherwise have expected.
CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This annual report includes statements that express our opinions, expectations, beliefs, plans, objectives, assumptions or projections regarding future events or future results and therefore are, or may be deemed to be, “forward-looking statements.” These forward-looking statements can generally be identified by the use of forward-looking terminology, including the terms “believes,” “estimates,” “anticipates,” “expects,” “seeks,” “projects,” “intends,” “plans,” “may,” “will” or “should” or, in each case, their negative or other variations or comparable terminology. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this annual report and include statements regarding our intentions, beliefs or current expectations concerning, among other things, anticipated cost savings, results of operations, financial condition, liquidity, prospects, growth, strategies and the markets in which we operate. Such forward-looking statements are based on available current market material and management’s expectations, beliefs and forecasts concerning future events impacting us. Factors that may impact such forward-looking statements include:

- our ability to make, consummate and integrate acquisitions, including the DRG acquisition, and realize any expected benefits or effects of any acquisitions or the timing, final purchase price, costs associated with achieving synergies or integration or consummation of any acquisitions, including the DRG acquisition;
- our ability to compete in the highly competitive markets in which we operate, and potential adverse effects of this competition;
- our ability to maintain revenues if our products and services do not achieve and maintain broad market acceptance, or if we are unable to keep pace with or adapt to rapidly changing technology, evolving industry standards and changing regulatory requirements;
- our ability to achieve all expected benefits from the items reflected in the adjustments included in Standalone Adjusted EBITDA, a non-GAAP measure;
- our ability to achieve operational cost improvements and other anticipated benefits of our merger with Churchill Capital Corp in 2019;
- our dependence on third parties, including public sources, for data, information and other services;
- increased accessibility to free or relatively inexpensive information sources;
- our ability to maintain high annual revenue renewal rates as recurring subscription-based arrangements generate a significant percentage of our revenues;
- any significant disruption in or unauthorized access to our computer systems or those of third parties that we utilize in our operations, including those relating to cybersecurity or arising from cyber-attacks;
- our reliance on our own and third-party telecommunications, data centers and network systems, as well as the Internet;
- potential adverse tax consequences resulting from the international scope of our operations, corporate structure and financing structure;
• increased risks resulting from our international operations;
• our ability to comply with various trade restrictions, such as sanctions and export controls, resulting from our international operations;
• our ability to comply with the anti-corruption laws of the United States and various international jurisdictions;
• the United Kingdom’s withdrawal from the EU;
• fraudulent or unpermitted data access, cyber-security attacks, or other privacy breaches;
• government and agency demand for our products and services and our ability to comply with government contracting regulations;
• changes in legislation and regulation, which may impact how we provide products and services and how we collect and use information, particularly relating to the use of personal data;
• actions by governments that restrict access to our platform in their countries;
• potential intellectual property infringement claims;
• our ability to operate in a litigious environment;
• our potential need to recognize impairment charges related to goodwill, identified intangible assets and fixed assets;
• our ability to make timely and accurate financial disclosure and maintain effective systems of internal controls;
• our substantial indebtedness, which could adversely affect our financial condition, limit our ability to raise additional capital to fund our operations and prevent us from fulfilling our obligations under our indebtedness; and
• other factors beyond our control.

The forward-looking statements contained in this annual report are based on our current expectations and beliefs concerning future developments and their potential effects on us. There can be no assurance that future developments affecting us will be those that we have anticipated. These forward-looking statements involve a number of risks and uncertainties (some of which are beyond our control) or other assumptions that may cause actual results or performance to be materially different from those expressed or implied by these forward-looking statements. These risks and uncertainties include, but are not limited to, those factors described under the heading “Item 1A. Risk Factors.” Should one or more of these risks or uncertainties materialize, or should any of the assumptions prove incorrect, actual results may vary in material respects from those projected in these forward-looking statements. We will not undertake any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required under applicable securities laws.
Item 1B. Unresolved Staff Comments

None.

Item 2. Properties

The Company’s primary office spaces as of January 1, 2020 are represented in the table below:

<table>
<thead>
<tr>
<th>Location</th>
<th>Space Leased</th>
<th>Lease Expiration</th>
</tr>
</thead>
<tbody>
<tr>
<td>Philadelphia, Pennsylvania, USA</td>
<td>123,853 square feet</td>
<td>October 2029</td>
</tr>
<tr>
<td>Bangalore, India</td>
<td>56,891 square feet</td>
<td>July 2024</td>
</tr>
<tr>
<td>Hyderabad, India</td>
<td>54,064 square feet</td>
<td>July 2023</td>
</tr>
<tr>
<td>London, UK</td>
<td>49,794 square feet</td>
<td>December 2028</td>
</tr>
<tr>
<td>Chennai, India</td>
<td>47,522 square feet</td>
<td>February 2020</td>
</tr>
<tr>
<td>Boston, Massachusetts, USA</td>
<td>35,023 square feet</td>
<td>October 2024</td>
</tr>
<tr>
<td>Barcelona, Spain</td>
<td>33,387 square feet</td>
<td>October 2023</td>
</tr>
<tr>
<td>Bangalore, India</td>
<td>30,122 square feet</td>
<td>March 2027</td>
</tr>
<tr>
<td>Tokyo, Japan</td>
<td>29,787 square feet</td>
<td>May 2022</td>
</tr>
<tr>
<td>Antwerp, Belgium</td>
<td>27,459 square feet</td>
<td>December 2024</td>
</tr>
<tr>
<td>San Francisco, California, USA</td>
<td>18,905 square feet</td>
<td>October 2025</td>
</tr>
<tr>
<td>Beijing, China</td>
<td>17,039 square feet</td>
<td>August 2020</td>
</tr>
</tbody>
</table>

We believe that our properties, taken as a whole, are in good operating condition, are suitable and adequate for our current business operations, and that additional or alternative space will be available on commercially reasonable terms for future use and expansion.

Item 3. Legal Proceedings

From time to time, we are a party to various lawsuits, claims and other legal proceedings that arise in the ordinary course of our business. While the outcomes of these matters are uncertain, management does not expect that the ultimate costs to resolve these matters will have a material adverse effect on our consolidated financial position, results of operations or cash flows.
Item 4. Mine Safety Disclosures

Not applicable.

PART II

Item 5. Market for Registrant’s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Market Price of Ordinary Shares and Warrants

Our ordinary shares are traded on the NYSE under the symbol CCC and our warrants are traded on the NYSE American under the symbol CCC.WS. The following table sets forth the high and low sales prices for the ordinary shares and warrants since they commenced separate trading on October 29, 2018.

<table>
<thead>
<tr>
<th></th>
<th>Ordinary Shares</th>
<th></th>
<th>Warrants</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>High</td>
<td>Low</td>
<td>High</td>
<td>Low</td>
</tr>
<tr>
<td>2019:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fourth Quarter</td>
<td>$18.05</td>
<td>$15.72</td>
<td>$6.68</td>
<td>$5.25</td>
</tr>
<tr>
<td>Third Quarter</td>
<td>$17.68</td>
<td>$15.03</td>
<td>$6.34</td>
<td>$4.47</td>
</tr>
<tr>
<td>Second Quarter</td>
<td>$15.38</td>
<td>$12.92</td>
<td>$4.75</td>
<td>$3.25</td>
</tr>
<tr>
<td>First Quarter</td>
<td>$13.59</td>
<td>$9.58</td>
<td>$3.37</td>
<td>$0.73</td>
</tr>
<tr>
<td>2018:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fourth Quarter</td>
<td>$9.61</td>
<td>$9.54</td>
<td>$1.20</td>
<td>$0.87</td>
</tr>
</tbody>
</table>

Holders

As of December 31, 2019 there were 38 holders of record of ordinary shares and 9 holders of record of warrants. A substantially greater number of holders of our ordinary shares are “street name” or beneficial holders, whose shares of record are held by banks, brokers, and other financial institutions.

Dividends

We did not pay any dividends to stockholders during the year ended December 31, 2019. We presently intend to retain our earnings for use in business operations and, accordingly, we do not anticipate that our board will declare dividends in the foreseeable future. In addition, the terms of our credit facilities and the indenture governing our secured notes due 2026 include restrictions that may impact our ability to pay dividends.
Securities Authorized for Issuance Under Equity Compensation Plans

The following table sets forth information as of December 31, 2019, with respect to compensation plans under which equity securities are authorized for issuance.

<table>
<thead>
<tr>
<th>Equity Compensation Plan Information</th>
<th>Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)</th>
<th>Weighted-average exercise price of outstanding options, warrants, and rights (b)</th>
<th>Number of securities remaining available for issuance under equity compensation plans (excluding securities reflected in column (a)) (c)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Equity Compensation Plans Approved by Security Holders</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2019 Incentive Award Plan</td>
<td>21,173,407(2)</td>
<td>$12.18(3)</td>
<td>37,302,599(4)</td>
</tr>
<tr>
<td><strong>Equity Compensation Plans Not Approved by Security Holders(1)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Warrants</td>
<td>52,699,886</td>
<td>$11.50</td>
<td>N/A</td>
</tr>
<tr>
<td>Merger Shares</td>
<td>7,000,000</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Total</td>
<td>73,873,293</td>
<td>N/A</td>
<td>N/A</td>
</tr>
</tbody>
</table>


(2) Includes (a) 20,880,225 stock options and (b) 293,182 restricted share units that were issued with no exercise price or other consideration.

(3) The weighted-average exercise price is reported for the outstanding stock options reported in the first column. There are no exercise prices for the restricted share units.

(4) The total number of securities remaining available for issuance under equity compensation plans may be issued under the 2019 Incentive Award Plan.

Issuer Purchases of Equity Securities

None.
Performance Graph


The graph assumes a $100 cash investment on May 14, 2019 and the reinvestment of all dividends, where applicable. This graph is not indicative of future financial performance. The following graph is not filed but is furnished pursuant to Regulation S-K Item 201(e), Instruction 7.

Recent Sales of Unregistered Equity; Use of Proceeds from Registered Offerings

In March 2017, the Company adopted the management incentive plan under which certain employees of the Company may be eligible to purchase shares of the Company. In exchange for each share purchase subscription, the purchaser is entitled to a fully vested right to an ordinary share. Additionally, along with a subscription, employees receive a corresponding number of options to acquire additional ordinary shares subject to five year vesting. The Company did not receive any subscriptions during the year ended December 31, 2019. The Company received net subscriptions for 198,602 during the year ended December 31, 2018. As of December 31, 2019, there were 358,313 shares issued and outstanding under the management incentive plan. The Company believes that these grants, and the vesting of ordinary shares pursuant to such grants, did and do not require registration under the Securities Act because these securities were offered in transactions exempt from registration under the Securities Act. None of the foregoing transactions involved any underwriters, underwriting discounts or commissions or any public offering.

Item 6. Selected Financial Data

The Company’s Consolidated Balance Sheet data as of December 31, 2019 and 2018 and Consolidated Statements of Operations, of Comprehensive Loss, and of Cash Flow data for the years ended December 31, 2019, 2018 and 2017 are derived from the Company’s audited financial statements, included in Item 8 of this annual report.

This information is only a summary and should be read in conjunction with the Company’s Consolidated Financial Statements and “Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations.” The historical results included below and elsewhere in this annual report are not indicative of the future performance of the Company. All amounts are in US dollars. Certain amounts that appear in this section may not sum due to rounding.
Year Ended December 31,

<table>
<thead>
<tr>
<th></th>
<th>2019 (1)(2)</th>
<th>2018 (3)(4)</th>
<th>2017 (5)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues, net</strong></td>
<td>$974,345</td>
<td>$968,468</td>
<td>$917,634</td>
</tr>
<tr>
<td>Cost of revenues, excluding depreciation and amortization</td>
<td>(346,503)</td>
<td>(396,499)</td>
<td>(394,215)</td>
</tr>
<tr>
<td>Selling, general and administrative, excluding depreciation and amortization</td>
<td>(368,675)</td>
<td>(369,377)</td>
<td>(343,143)</td>
</tr>
<tr>
<td>Share-based compensation</td>
<td>(51,383)</td>
<td>(13,715)</td>
<td>(17,663)</td>
</tr>
<tr>
<td>Depreciation</td>
<td>(9,181)</td>
<td>(9,422)</td>
<td>(6,997)</td>
</tr>
<tr>
<td>Amortization</td>
<td>(191,361)</td>
<td>(227,803)</td>
<td>(221,466)</td>
</tr>
<tr>
<td>Impairment on assets held for sale</td>
<td>(18,431)</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Transaction expenses</td>
<td>(46,214)</td>
<td>(2,457)</td>
<td>(2,245)</td>
</tr>
<tr>
<td>Transition, integration and other related expenses</td>
<td>(14,239)</td>
<td>(61,282)</td>
<td>(78,695)</td>
</tr>
<tr>
<td>Restructuring</td>
<td>(15,670)</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Legal settlement</td>
<td>39,399</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Total operating expenses</td>
<td>4,826</td>
<td>6,379</td>
<td>(237)</td>
</tr>
<tr>
<td>Loss from operations</td>
<td>(43,087)</td>
<td>(105,708)</td>
<td>(147,027)</td>
</tr>
<tr>
<td>Interest expense, net</td>
<td>(157,689)</td>
<td>(130,805)</td>
<td>(138,196)</td>
</tr>
<tr>
<td>Loss before income tax</td>
<td>(200,776)</td>
<td>(236,513)</td>
<td>(285,223)</td>
</tr>
<tr>
<td>Benefit (provision) for income taxes</td>
<td>(10,201)</td>
<td>(5,649)</td>
<td>21,293</td>
</tr>
<tr>
<td>Net loss</td>
<td>$ (210,977)</td>
<td>$ (242,162)</td>
<td>$ (263,930)</td>
</tr>
</tbody>
</table>

Loss from operations per ordinary share

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net cash provided by (used in):</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating activities</td>
<td>$117,580</td>
<td>$(26,100)</td>
<td>$6,667</td>
</tr>
<tr>
<td>Investing activities</td>
<td>(140,885)</td>
<td>11,934</td>
<td>(40,205)</td>
</tr>
<tr>
<td>Financing activities</td>
<td>$75,215</td>
<td>$(32,605)</td>
<td>$22,818</td>
</tr>
<tr>
<td>Other Financial Data:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital expenditures</td>
<td>$(69,836)</td>
<td>$(45,410)</td>
<td>$(37,804)</td>
</tr>
</tbody>
</table>
### Balance Sheet data:

<table>
<thead>
<tr>
<th></th>
<th>2019/6/7/8</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>$76,130</td>
<td>$25,575</td>
<td>$53,186</td>
</tr>
<tr>
<td>Accounts receivable, net</td>
<td>333,858</td>
<td>331,295</td>
<td>317,808</td>
</tr>
<tr>
<td>Computer hardware and other property, net</td>
<td>18,042</td>
<td>20,641</td>
<td>23,010</td>
</tr>
<tr>
<td>Total assets</td>
<td>$3,791,371</td>
<td>$3,709,674</td>
<td>$4,005,111</td>
</tr>
<tr>
<td>Total long term liabilities</td>
<td>1,779,961</td>
<td>2,015,353</td>
<td>2,057,932</td>
</tr>
<tr>
<td>Total long term debt</td>
<td>1,628,611</td>
<td>1,930,177</td>
<td>1,967,735</td>
</tr>
<tr>
<td>Total shareholders’ equity</td>
<td>$1,360,412</td>
<td>$1,050,607</td>
<td>$1,286,106</td>
</tr>
</tbody>
</table>

1. In September 2019, the Company completed the acquisition of SequenceBase. SequenceBase has been included in our consolidated results of operations starting on the acquisition date. In November 2019, the Company completed the acquisition of Darts-ip. Darts-ip has been included in our consolidated results of operations starting on the acquisition date.

2. Includes $18,431 of asset impairment charges related to assets held for sale, $15,670 of restructuring charges, and $39,399 gain related to a legal settlement.

3. In October 2018, the Company completed the acquisition of TrademarkVision. TrademarkVision has been included in our consolidated results of operations starting on the acquisition date.

4. Includes $36,072 gain on the sale of a business and $33,819 loss related to the write down of a tax indemnity asset.

5. In June 2017, the Company completed the acquisition of Publons. Publons has been included in our consolidated results of operations starting on the acquisition date.

6. Reflects the impact of the adoption of ASC 842 Leases. See “Item 8. Financial Statements and Supplementary Data — Notes to the Consolidated Financial Statements — Note 3” for further discussion.

7. Includes the impact of October 2019 Refinancing Transaction.

8. Includes $200,000 related to the net impact of the tax receivable agreement and buyout agreement and $678,054 related to the merger recapitalization.
**Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations**

*The following discussion should be read in conjunction with “Item 6. Selected Financial Data” and our Consolidated Financial Statements, including the notes thereto, included elsewhere in this annual report. Certain statements in this section are forward-looking statements that involve risks and uncertainties, such as statements regarding our plans, objectives, expectations and intentions. Our future results and financial condition may differ materially from those we currently anticipate as a result of the factors we describe under “Item 1A. Risk Factors.” Certain income statement amounts discussed herein are presented on an actual and on a constant currency basis. We calculate constant currency by converting the non-U.S. dollar income statement balances for the most current year to U.S. dollars by applying the average exchange rates of the preceding year. Certain amounts that appear in this section may not sum due to rounding.*

**Overview**

We offer a collection of high quality, market leading information and analytic products and solutions through our Science and Intellectual Property (“IP”) Product Groups. Our Science Product Group consists of our Web of Science and Life Science Product Lines, and our IP Product Group consists of our Derwent, CompuMark and MarkMonitor Product Lines. Our highly curated Web of Science products are offered primarily to universities, helping them navigate scientific literature, facilitate research and evaluate and measure the quality of researchers, institutions and scientific journals across various academic disciplines. Our Life Sciences Product Line offerings serve the content and analytical needs of pharmaceutical and biotechnology companies across the drug development lifecycle, including content on discovery and pre-clinical research, competitive intelligence, regulatory information and clinical trials. Our Derwent Product Line offerings help patent and legal professionals in R&D intensive businesses evaluate the novelty and patentability of new ideas and products to help protect and research patents. Our CompuMark products and services allow businesses and legal professionals to access our comprehensive trademark database. Finally, our MarkMonitor offerings include enterprise web domain portfolio management products and services.

**Factors Affecting the Comparability of Our Results of Operations**

The following factors have affected the comparability of our results of operations between the periods presented in this annual report and may affect the comparability of our results of operations in future periods.

**Our Transition to Operations as a Standalone Business**

We began to transition to a standalone company in October 2016, when Onex and Baring acquired subsidiaries and assets comprising the intellectual property and science business of Thomson Reuters for approximately $3,600,000 and formed Clarivate.

**Transition Services Agreement**

At the time of our separation from Thomson Reuters in 2016, we entered into a transition services agreement with Thomson Reuters, pursuant to which Thomson Reuters provided us with certain transitional support services, including facilities management, human resources, accounting and finance, sourcing, certain data center services, and sales and marketing and other back office services. We have replaced all transition services agreement services by building up comparable internal functions during the course of 2017, 2018 and 2019, though we continued to rely to a limited extent on certain Thomson Reuters data center services until we complete our product migration to either Amazon Web Services, or our own systems in 2019. Pursuant to the transition services agreement, we paid Thomson Reuters a fee based on Thomson Reuters’ historical allocation for such services to our business when it was owned by Thomson Reuters. These transition services agreement fees amounted to $10,481, $55,764 and $89,942 in the years ended December 31, 2019, 2018 and 2017, respectively. Our standalone operating costs have differed substantially from the historical costs of services under the transition services agreement and may differ substantially in the future, which may impact the comparability of our results of operations between the periods presented in this annual report and with those for future periods.
Purchase Accounting Impact of Our Separation from Thomson Reuters in 2016

In addition, purchase accounting adjustments related to our separation from Thomson Reuters in 2016 included a revaluation of deferred revenues to account for the difference in value between the customer advances retained by us upon the consummation of our separation from Thomson Reuters in 2016 and our outstanding performance obligations related to those advances. The difference in value is written down as an adjustment to revenues as the related performance obligations, which cannot be recognized as revenues under GAAP, are fulfilled. This resulted in negative adjustments to revenues of $438, $3,152, and $49,673 in the years ended December 31, 2019, 2018 and 2017, respectively. As of December 31, 2019, the relevant performance obligations have been substantially fulfilled and the valuation difference has been written down. As a result, our consolidated revenues and margins are not comparable between the periods presented in this annual report and may not be comparable with those for future periods. To facilitate comparability between periods we present Adjusted Revenues in this annual report to eliminate, among other things, the impact of the deferred revenues adjustment. See “— Certain Non-GAAP Measures — Adjusted Revenues, Adjusted Subscription Revenues and Adjusted Transactional Revenues.”

Merger with Churchill Capital Corp.

In January 2019, we entered into an agreement to merge with Churchill Capital Corp, which closed in May 2019. At closing, our available cash increased by approximately $682,087, of which $650,000 was applied to pay down our existing debt and the remainder was used to pay costs related to the merger and for general corporate purposes.

Following the consummation of the merger, our ordinary shares and warrants began trading on the NYSE and NYSE American, respectively. Our filings with the SEC and listing on the NYSE have required us to develop the functions and resources necessary to operate as a public company, including employee-related costs and equity compensation, which have resulted in increased operating expenses, which we estimate to be approximately $6,458 per year.

Acquisition of Decision Resources Group

On January 17, 2020, we entered into an agreement to acquire DRG, a premier provider of high-value data, analytics and insights products and services to the healthcare industry, from Piramal Enterprises Limited, which is a part of global business conglomerate Piramal Group. The acquisition closed on February 28, 2020.

The aggregate consideration paid in connection with the closing of the DRG acquisition was approximately $950,000, comprised of $900,000 in cash paid on the closing date and approximately $50,000 in Clarivate ordinary shares to be issued to Piramal Enterprises Limited following the one-year anniversary of closing.

In February 2020, we completed an underwritten public offering of 27,600,000 of our ordinary shares, generating net proceeds of $540,736, which we used to fund a portion of the cash consideration for the DRG acquisition. In addition, we incurred an incremental $360,000 of term loans under our term loan facility and used the net proceeds from such borrowings, together with cash on hand, to fund the remainder of the cash consideration for the DRG acquisition and to pay related fees and expenses.

MarkMonitor Brand Protection, Antipiracy and Antifraud Disposition

In November 2019, we entered into an agreement with an unrelated third-party for the sale of certain assets and liabilities of our MarkMonitor Product Line within the IP Group. The divestment closed in January 2020 for a consideration of approximately $3,751. As a result of this divestiture, we recorded an impairment loss of $18,431 for the year ended December 31, 2019. As of December 31, 2019, we determined that these assets and liabilities met the criteria to be classified as held for sale. All assets and liabilities of the divested business are reclassified to Assets held for sale and Liabilities held for sale respectively on our December 31, 2019 Consolidated Balance Sheet. The divestiture did not represent a strategic shift, and is not expected to have a significant effect on our financial results or operations in future periods. We retained the MarkMonitor Domain Management business.
Refinancing Transactions

In October 2019, we closed a private offering of $700,000 in principal amount of secured notes due 2026 and entered into new credit facilities in an initial principal amount of $1,150,000. We used the net proceeds from the offering of notes, together with drawings under the credit facilities, to refinance all amounts outstanding under our prior credit facilities, to redeem our then-outstanding notes and pay fees and expenses related to the foregoing, and to fully fund our $200,000 payment obligation under the agreement terminating our obligations under the tax receivable agreement entered into in connection with our merger with Churchill Capital Corp.

Termination of Tax Receivable Agreement

In connection with our merger with Churchill Capital Corp, we entered into a tax receivable agreement with Onex and Baring and certain other pre-merger shareholders of the Company. The tax receivable agreement generally would have required us to pay the counterparties 85% of the amount of cash savings, if any, realized (or, in some cases, deemed to be realized) as a result of the utilization of certain tax assets. In August 2019, we entered into an agreement pursuant to which all of our future payment obligations under the tax receivable agreement would terminate in exchange for a payment of $200,000, which we made in November 2019. We believe that termination of the tax receivable agreement will significantly improve our free cash flow profile by eliminating near-term cash outflows of up to $30,000 annually that we were expecting to pay starting in early 2021.

IPM Product Line Divestiture

In October 2018, we sold certain subsidiaries and assets related to our intellectual property management (IPM) Product Line for a total purchase price of $100,130 gross of restricted cash and cash included in normalized working capital and related adjustments, of which $31,378 was used to repay a portion of the term loan. As a result, we recorded a net gain on sale of $36,072 for the year ended December 31, 2018. Our consolidated financial statements included elsewhere in this annual report include the results of operations related to our divested IPM Product Line through the date of divestiture, including revenues of $0, $20,450 and $31,854 for the years ended December 31, 2019, 2018, and 2017, respectively. The divestiture did not represent a strategic shift, and is not expected to have a significant effect on our financial results or operations in future periods, although as a result our consolidated revenues and profits for the periods presented in this annual report may not be comparable between periods or with those for future periods. To facilitate comparability between periods we present Adjusted Revenues in this annual report to eliminate, among other things, IPM Product Line revenues for 2019, 2018, and 2017. See “— Certain Non-GAAP Measures — Adjusted Revenues, Adjusted Subscription Revenues and Adjusted Transactional Revenues.”

Darts-ip Acquisition

On November 27, 2019, our IP Product Group completed the acquisition of Darts-ip, a leading provider of case law data for intellectual property professionals. We acquired 100% of the voting equity interest of the acquired business. All assets and liabilities are included in our consolidated financial statements.

Effect of Currency Fluctuations

As a result of our geographic reach and operations across regions, we are exposed to currency transaction and currency translation impacts. Currency transaction exposure results when we generate revenues in one currency and incur expenses in another. While we seek to limit our currency transaction exposure by matching revenues and expenses, we are not always able to do so. For example, our revenues were denominated approximately 81% in U.S. dollars, 9% in euros, 3% in British pounds and 7% in other currencies for the year ended December 31, 2019, 79% in U.S. dollars, 7% in euros, 7% in British pounds and 7% in other currencies for the year ended December 31, 2018 and 79% in U.S. dollars, 7% in euros, 7% in British pounds and 7% in other currencies for the year ended December 31, 2017, while our direct expenses before depreciation and amortization, tax and interest in 2019, 2018 and 2017, were denominated approximately 70%, 70%, and 73% in U.S. dollars, 9%, 9%, and 8% in euros, 13%, 11%, and 11% in British pounds and 8%, 10%, and 8% in various other currencies, respectively.
The financial statements of our subsidiaries outside the U.S. and the UK are typically measured using the local currency as the functional currency. Assets and liabilities of these subsidiaries are translated at the balance sheet date exchange rates, while income and expense items are translated at the average monthly exchange rates. Resulting translation adjustments are recorded in Accumulated other comprehensive income (loss) on the Consolidated Balance Sheets.

Subsidiary monetary assets and liabilities that are denominated in currencies other than the functional currency are remeasured using the month-end exchange rate in effect during each month, with any related gain or loss recorded in Other operating expense, net within the Consolidated Statements of Operations.

We do not currently hedge our foreign currency transaction or translation exposure. As a result, significant currency fluctuations could impact the comparability of our results between periods, while such fluctuations coupled with material mismatches in revenues and expenses could also adversely impact our cash flows. See “Item 7A. Quantitative and Qualitative Disclosures About Market Risk.”

**Key Performance Indicators**

We regularly monitor the following key performance indicators to evaluate our business and trends, measure our performance, prepare financial projections and make strategic decisions.

**Adjusted Revenues, Adjusted Subscription Revenues and Adjusted Transactional Revenues**

We present Adjusted Revenues, which excludes the impact of the deferred revenue purchase accounting adjustment (recorded in connection with the separation from Thomson Reuters) and revenues from divestitures. We also present Adjusted Subscription Revenues and Adjusted Transactional Revenues, which exclude the revenues from divestitures. We present these measures because we believe it is useful to readers to better understand the underlying trends in our operations. See “— Certain Non-GAAP Measures — Adjusted Revenues, Adjusted Subscription Revenues and Adjusted Transactional Revenues” below for important information on the limitations of Adjusted Revenues and their reconciliation to the respective revenues measures under U.S. GAAP.

**Adjusted EBITDA and Adjusted EBITDA margin**

Adjusted EBITDA is presented because it is a basis upon which our management assesses our performance, and we believe it is useful for investors to understand the underlying trends of our operations. See “— Certain Non-GAAP Measures — Adjusted EBITDA and Adjusted EBITDA margin” for important information on the limitations of Adjusted EBITDA and its reconciliation to our Net loss under GAAP. Adjusted EBITDA represents net (loss) income before provision for income taxes, depreciation and amortization, interest income and expense adjusted to exclude acquisition or disposal-related transaction costs (such costs include net income from continuing operations before provision for income taxes, depreciation and amortization and interest income and expense from divestitures), losses on extinguishment of debt, stock-based compensation, unrealized foreign currency gains/(losses), costs associated with the transition services agreement with Thomson Reuters, which we entered into in connection with our separation from Thomson Reuters in 2016, separation and integration costs, transformational and restructuring expenses, acquisition-related adjustments to deferred revenues, costs related to our merger with Churchill Capital Corp in 2019, non-cash income/(loss) on equity and cost method investments, non-operating income or expense, the impact of certain non-cash, legal settlements and other items that are included in net income for the period that the Company does not consider indicative of its ongoing operating performance and certain unusual items impacting results in a particular period. Adjusted EBITDA margin is calculated by dividing Adjusted EBITDA by Adjusted Revenues.
**Annualized Contract Value**

Annualized Contract Value ("ACV"), at a given point in time, represents the annualized value for the next 12 months of subscription-based client license agreements, assuming that all expiring license agreements during that period are renewed at their current price level. License agreements may cover more than one product and the standard subscription period for each license agreement typically runs for no less than 12 months. The renewal period for our subscriptions starts 90 days before the end of the current subscription period, during which customers must provide notice of whether they intend to renew or cancel the license agreement.

An initial subscription period for new customers may be for a term of less than 12 months, in certain circumstances. Most of our customers, however, opt to enter into a full 12-month initial subscription period, resulting in renewal periods spread throughout the calendar year. Customers that license more than one subscription-based product may, at any point during the renewal period, provide notice of their intent to renew or cancel only certain subscriptions within the license agreement and cancel other subscriptions, which we typically refer to as a downgrade. In other instances, customers may upgrade their license agreements by adding additional subscription-based products to the original agreement. Our calculation of ACV includes the impact of downgrades, upgrades, price increases, and cancellations that have occurred as of the reporting period. For avoidance of doubt, ACV does not include fees associated with transactional revenues.

We monitor ACV because it represents a leading indicator of the potential subscription revenues that may be generated from our existing customer base over the upcoming 12-month period. Measurement of subscription revenues as a key operating metric is particularly relevant because a majority of our revenues are generated through subscription-based products, which accounted for 82.6%, 81.7%, 81.2% of our total revenues for the years ended December 31, 2019, 2018 and 2017, respectively. We calculate and monitor ACV for each of our Groups (excluding the IPM Product Line, which we sold in October 2018), and use the metric as part of our evaluation of our business and trends.

The amount of actual subscription revenues that we earn over any 12-month period are likely to differ from ACV at the beginning of that period, sometimes significantly. This may occur for numerous reasons, including subsequent changes in annual revenue renewal rates, impact of price increases (or decreases), cancellations, upgrades and downgrades, and acquisitions and divestitures.

We calculate the ACV on a constant currency basis to exclude the effect of foreign currency fluctuations.

The following table presents ACV as of the dates indicated:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Annualized Contract Value</td>
<td>$793,727</td>
<td>$767,021</td>
<td>$737,500</td>
<td>3.5%</td>
<td>4.0%</td>
</tr>
</tbody>
</table>

**Annual Revenue Renewal Rates**

Our revenues are primarily subscription based, which leads to high revenue predictability. Our ability to retain existing subscription customers is a key performance indicator that helps explain the evolution of our historical results and is a leading indicator of our revenues and cash flows for the subsequent reporting period.

“Annual revenue renewal rate” is the metric we use to determine renewal levels by existing customers across all of our Groups, and is a leading indicator of renewal trends, which impact the evolution of our ACV and results of operations. We calculate the annual revenue renewal rate for a given period by dividing (a) the annualized dollar value of existing subscription product license agreements that are renewed during that period, including the value of any product downgrades, by (b) the annualized dollar value of existing subscription product license agreements that come up for renewal in that period. “Open renewals,” which we define as existing subscription product license agreements that come up for renewal, but are neither renewed nor canceled by customers during the applicable reposting period, are excluded from both the numerator and denominator of the calculation. We calculate the annual revenue renewal rate to reflect the value of product downgrades but not the value of product upgrades upon renewal, because upgrades reflect the purchase of additional services.

The impact of upgrades, new subscriptions and product price increases is reflected in ACV, but not in annual revenue renewal rates. Our annual revenue renewal rates were 90.1%, 91.7% and 91.0% (which for the avoidance of doubt, does not reflect the impact of upgrades, new subscriptions or product price increases) for the years ended December 31, 2019, 2018, and 2017, respectively.
Key Components of Our Results of Operations

Revenues, net

We categorize our revenues into two categories: subscription and transactional.

Subscription-based revenues are recurring revenues that are earned under annual, multi-year, or evergreen contracts, pursuant to which we license the right to use our products to our customers. Revenues from the sale of subscription data and analytics solutions are typically invoiced annually in advance and recognized ratably over the year as revenues are earned. Subscription revenues are driven by annual revenue renewal rates, new subscription business, price increases on existing subscription business and subscription upgrades and downgrades from recurring customers. Substantially all of our historical deferred revenues purchase accounting adjustments are related to subscription revenues.

Transactional revenues are earned under contracts for specific deliverables that are typically quoted on a product, data set or project basis and often derived from repeat customers, including customers that also generate subscription-based revenues. Transactional products and services are invoiced according to the terms of the contract, typically in arrears. Transactional content sales are usually delivered to the customer instantly or in a short period of time, at which time revenues are recognized. Transactional revenues also include, to a lesser extent, professional services, which are typically performed under contracts that vary in length from several months to years for multi-year projects and are typically invoiced based on the achievement of milestones. The most significant components of our transactional revenues include our “clearance searching” and “backfiles” products.

Cost of Revenues, Excluding Depreciation and Amortization

Cost of revenues consists of costs related to the production, servicing and maintenance of our products and are comprised primarily of related personnel costs, such as salaries, benefits and bonuses for employees, fees for contracted labor, and data center services and licensing costs. Cost of revenues also includes the costs to acquire or produce content, royalties payable and non-capitalized R&D expenses. Cost of revenues does not include production costs related to internally generated software, which are capitalized.

Selling, General and Administrative, Excluding Depreciation and Amortization

Selling, general and administrative costs consist primarily of salaries, benefits, commission and bonuses for the executive, finance and accounting, human resources, administrative, sales and marketing personnel, third-party professional services fees, such as legal and accounting expenses, facilities rent and utilities and technology costs associated with our corporate infrastructure.

Depreciation

Depreciation expense relates to our fixed assets, including mainly computer hardware and leasehold improvements, furniture and fixtures. These assets are depreciated over their expected useful lives, and in the case of leasehold improvements over the shorter of their useful life or the duration of the related lease.

Amortization

Amortization expense relates to our finite-lived intangible assets, including mainly databases and content, customer relationships, internally generated computer software and trade names. These assets are amortized over periods of between two and 20 years. Definite-lived intangible assets are tested for impairment when indicators are present, and, if impaired, are written down to fair value based on discounted cash flows. No impairment of intangible assets has been identified during any financial period included in our accompanying consolidated financial statements.
Impairment on Assets Held for Sale

Impairment on assets held for sale represents an impairment charge recorded for certain assets classified as assets held for sale.

Share-based Compensation

Share-based compensation expense includes costs associated with stock options granted to and certain modifications for certain members of management and expense related to the issuance of shares in connection with our merger with Churchill Capital Corp in 2019.

Transaction Expenses

Transaction expenses are incurred to complete business combination transactions, including acquisitions and dispositions, and typically include advisory, legal and other professional and consulting costs.

Transition, Integration and Other Related Expenses

Transition, integration and other related expenses, including transformation expenses, mainly reflect the costs of transitioning certain activities performed under the transition services agreement by Thomson Reuters and certain consulting costs related to standing up our back-office systems to enable our operation on a stand-alone basis. These costs include labor costs of full time employees currently working on migration projects, including primarily employees whose labor costs are capitalized in other circumstances (such as employees working on application development). In 2019, these costs also relate to the Company’s transition expenses incurred following the merger with Churchill Capital Corp.

Restructuring

Restructuring expense includes costs associated with involuntary termination benefits provided to employees under the terms of a one-time benefit arrangement, certain contract termination costs, and other costs associated with an exit or disposal activity.

Legal Settlement

Legal settlement represents a net gain recorded for cash received in relation to closure of a confidential legal matter.

Other Operating Income (Expense), Net

Other operating income (expense), net consists of gains or losses related to legal settlements and the disposal of our assets, asset impairments or write-downs and the consolidated impact of re-measurement of the assets and liabilities of our company and our subsidiaries that are denominated in currencies other than each relevant entity’s functional currency.

Interest Expense, net

Interest expense, net consists of expense related to interest on our borrowings under our term loan facility and our secured notes due 2026, the amortization and write off of debt issuance costs and original discount, and interest related to certain derivative instruments.

Benefit (Provision) for Income Taxes

A benefit or provision for income tax is calculated for each of the jurisdictions in which we operate. The benefit or provision for income taxes is determined using the asset and liability approach of accounting for income taxes. Under this approach, deferred taxes represent the future tax consequences expected to occur when the reported amounts of assets and liabilities are recovered or paid. The benefit or provision for income taxes represents income taxes paid or payable for the current year plus the change in deferred taxes during the year. Deferred taxes result from differences between the book and tax bases of assets and liabilities and are adjusted for changes in tax rates and tax laws when changes are enacted. Valuation allowances are recorded to reduce deferred tax assets when it is more likely than not that a tax benefit will not be realized. Interest accrued related to unrecognized tax benefits and income tax related penalties are included in the provision for income taxes.
Results of Operations

The following table presents the results of operations for the years ended December 31, 2019, 2018, and 2017:

<table>
<thead>
<tr>
<th>(in thousands, except percentages)</th>
<th>Year Ended December 31,</th>
<th>Change 2019 vs. 2018</th>
<th>Change 2018 vs. 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2019</td>
<td>2018</td>
<td>2017</td>
</tr>
<tr>
<td>Revenues, net</td>
<td>$974,345</td>
<td>$968,468</td>
<td>$917,634</td>
</tr>
<tr>
<td>Cost of revenues, excluding depreciation and amortization</td>
<td>(346,503)</td>
<td>(396,499)</td>
<td>(394,215)</td>
</tr>
<tr>
<td>Selling, general and administrative, excluding depreciation and amortization</td>
<td>(368,675)</td>
<td>(369,377)</td>
<td>(343,143)</td>
</tr>
<tr>
<td>Share-based compensation</td>
<td>(51,383)</td>
<td>(13,715)</td>
<td>(17,663)</td>
</tr>
<tr>
<td>Depreciation</td>
<td>(9,181)</td>
<td>(9,422)</td>
<td>(6,997)</td>
</tr>
<tr>
<td>Amortization</td>
<td>(191,361)</td>
<td>(227,803)</td>
<td>(221,466)</td>
</tr>
<tr>
<td>Impairment on assets held for sale</td>
<td>(18,431)</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Transaction expenses</td>
<td>(46,214)</td>
<td>(2,457)</td>
<td>(2,245)</td>
</tr>
<tr>
<td>Transition, integration and other related expenses</td>
<td>(14,239)</td>
<td>(61,282)</td>
<td>(78,695)</td>
</tr>
<tr>
<td>Restructuring</td>
<td>(15,670)</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Legal settlement</td>
<td>39,399</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Other operating income (expense), net</td>
<td>4,826</td>
<td>6,379</td>
<td>(237)</td>
</tr>
<tr>
<td>Total operating expenses</td>
<td>(1,017,432)</td>
<td>(1,074,176)</td>
<td>(1,064,661)</td>
</tr>
<tr>
<td>Loss from operations</td>
<td>(43,087)</td>
<td>(105,708)</td>
<td>(147,027)</td>
</tr>
<tr>
<td>Interest expense, net</td>
<td>(157,689)</td>
<td>(130,805)</td>
<td>(138,196)</td>
</tr>
<tr>
<td>Loss before income tax</td>
<td>(200,776)</td>
<td>(236,513)</td>
<td>(285,223)</td>
</tr>
<tr>
<td>Benefit (provision) for income taxes</td>
<td>(10,201)</td>
<td>(5,649)</td>
<td>21,293</td>
</tr>
<tr>
<td>Net loss</td>
<td>(210,977)</td>
<td>(242,162)</td>
<td>(263,930)</td>
</tr>
</tbody>
</table>
Revenues, net

Revenues, net of $974,345 in 2019 increased by $5,877, or 0.6%, from $968,468 in 2018. Adjusted Revenues, which exclude the impact of the deferred revenues adjustment and revenues from the IPM Product Line prior to its date of divestiture, increased $23,613, or 2.5% to $974,783 in 2019 from $951,170 in 2018.

Revenues, net increased by $50,834, or 5.5%, from $917,634 in 2017 to $968,468 in 2018. Adjusted Revenues, which exclude the impact of the deferred revenues adjustment and revenues from the IPM Product Line prior to its date of divestiture, increased $15,717, or 1.7%, to $951,170 in 2018 from $935,453 in 2017.

For an explanation of our calculation of Adjusted Revenues and the limitations as to its usefulness, see “— Certain Non-GAAP Measures — Adjusted Revenues, Adjusted Subscription Revenues and Adjusted Transactional Revenues.”

The comparability of our Revenues, net between periods was impacted by several factors described under “— Factors Affecting the Comparability of Our Results of Operations.” above. In addition to the deferred revenues adjustment and the divestiture of the IPM Product Line, our results were also impacted by foreign currency effects and revenue from ongoing business, as discussed below.

The table below presents the items that impacted the change in our revenues, net between periods.

<table>
<thead>
<tr>
<th>Revenue change driver</th>
<th>Variance 2019 vs. 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Decrease in deferred revenues adjustment</td>
<td>$2,714</td>
</tr>
<tr>
<td>Decrease in consolidated IPM Product Line revenue</td>
<td>(20,450)</td>
</tr>
<tr>
<td>Foreign currency translation</td>
<td>(5,929)</td>
</tr>
<tr>
<td>Revenue increase from ongoing business</td>
<td>29,542</td>
</tr>
<tr>
<td><strong>Revenues, net (total change)</strong></td>
<td><strong>$5,877</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Revenue change driver</th>
<th>Variance 2018 vs. 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Decrease in deferred revenues adjustment</td>
<td>$46,521</td>
</tr>
<tr>
<td>Decrease in consolidated IPM Product Line revenue</td>
<td>(11,404)</td>
</tr>
<tr>
<td>Foreign currency translation</td>
<td>6,070</td>
</tr>
<tr>
<td>Revenue increase from ongoing business</td>
<td>9,647</td>
</tr>
<tr>
<td><strong>Revenues, net (total change)</strong></td>
<td><strong>$50,834</strong></td>
</tr>
</tbody>
</table>

Revenues, net from our ongoing business improved for both our Product Groups, led by Science, reflecting a trend consistent with the increase in our ACV between periods, mainly due to product price increases and new business. The evolution of our recurring business is discussed further below by Product Group.
The following tables present the amounts of our subscription and transactional revenues, for the periods indicated.

<table>
<thead>
<tr>
<th>(in thousands, except percentages)</th>
<th>Year Ended December 31,</th>
<th>2019</th>
<th>2018</th>
<th>Total Variance (Dollars)</th>
<th>Total Variance (Percentage)</th>
<th>Divested IPM Product Line</th>
<th>FX Impact</th>
<th>Ongoing Business</th>
</tr>
</thead>
<tbody>
<tr>
<td>Subscription revenues</td>
<td></td>
<td>$ 805,518</td>
<td>$ 794,097</td>
<td>$ 11,421</td>
<td>1.4%</td>
<td>-2.2%</td>
<td>-0.6%</td>
<td>4.2%</td>
</tr>
<tr>
<td>Transactional revenues</td>
<td></td>
<td>169,265</td>
<td>177,523</td>
<td>(8,258)</td>
<td>(4.7%)</td>
<td>(1.6%)</td>
<td>(0.8%)</td>
<td>(2.3%)</td>
</tr>
<tr>
<td>Deferred revenues adjustment (1)</td>
<td></td>
<td>(438)</td>
<td>(3,152)</td>
<td>(2,714)</td>
<td>(86.1%)</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Revenues, net</td>
<td></td>
<td>$ 974,345</td>
<td>$ 968,468</td>
<td>$ 5,877</td>
<td>0.6%</td>
<td>(2.1%)</td>
<td>(0.6%)</td>
<td>3.1%</td>
</tr>
</tbody>
</table>

(1) Reflects the deferred revenues adjustment made as a result of purchase accounting related to our separation from Thomson Reuters in 2016

Subscription revenues of $805,518 in 2019 increased by $11,421, or 1.4% from $794,097 in 2018. On a constant currency basis, subscription revenues increased by $15,959, or 2.0%. Subscription revenues from ongoing business increased primarily due to price increases and new business within the Science Product Group, consistent with the growth in the annualized contract value and revenue increases related to upgrade of the Techstreet product offerings. This revenue growth was offset by a decrease due to the IPM Product Line divestiture.

Transactional revenues of $169,265 in 2019 decreased by $8,258, or 4.7% from $177,523 in 2018. On a constant currency basis, transactional revenues decreased by $6,867, or 3.9%. The decline in transactional revenues is due to the loss of income related to the IPM Product Line divestiture, demand for patent services in the period and reflected timing and product offerings within the IP Product Group. The revenues decline was offset partially by increased revenues related to the upgrades of the Techstreet product offerings.

<table>
<thead>
<tr>
<th>(in thousands, except percentages)</th>
<th>Year Ended December 31,</th>
<th>2018</th>
<th>2017</th>
<th>Total Variance (Dollars)</th>
<th>Total Variance (Percentage)</th>
<th>Divested IPM Product Line</th>
<th>FX Impact</th>
<th>Ongoing Business</th>
</tr>
</thead>
<tbody>
<tr>
<td>Subscription revenues</td>
<td></td>
<td>$ 794,097</td>
<td>$ 785,717</td>
<td>$ 8,380</td>
<td>1.1%</td>
<td>1.7%</td>
<td>0.6%</td>
<td>(1.2)%</td>
</tr>
<tr>
<td>Transactional revenues</td>
<td></td>
<td>177,523</td>
<td>181,590</td>
<td>(4,067)</td>
<td>(2.2%)</td>
<td>(1.2%)</td>
<td>1.0%</td>
<td>(2.0)%</td>
</tr>
<tr>
<td>Deferred revenues adjustment (1)</td>
<td></td>
<td>(3,152)</td>
<td>(49,673)</td>
<td>(46,521)</td>
<td>(93.7%)</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Revenues, net</td>
<td></td>
<td>$ 968,468</td>
<td>$ 917,634</td>
<td>$ 50,834</td>
<td>5.5%</td>
<td>1.2%</td>
<td>0.7%</td>
<td>(1.4)%</td>
</tr>
</tbody>
</table>

(1) Reflects the deferred revenues adjustment made as a result of purchase accounting related to our separation from Thomson Reuters in 2016

Subscription revenues of $794,097 in 2018 increased by $8,380, or 1.1% from $785,717 in 2017. On a constant currency basis, subscription revenues increased by $4,113, or 0.5%. The increase in subscription revenues between periods mainly reflected the effect of product price increases partially offset by a reduction in the income related to the IPM divestiture in October 2018.

Transactional revenues of $177,523 in 2018 decreased by $4,067, or 2.2% from $181,590 in 2017. On a constant currency basis, transactional revenues decreased by $5,870, or 3.2%. The decrease in Adjusted Transactional Revenues reflects our product and sales strategy to enhance our subscription product offerings and a reduction in the income related to the IPM divestiture in October 2018.
The following tables present the amounts of our adjusted subscription and adjusted transactional revenues, for the periods indicated.

| (in thousands, except percentages) | Year Ended December 31, | | | |
| | 2019 | 2018 | Total Variance (Dollars) | Total Variance (Percentage) | Percentage of Factors Increase/(Decrease) |
| | | | FX Impact | Ongoing Business | |
| Adjusted subscription revenues | $805,518 | $776,415 | $29,103 | 3.7% | (0.6)% | 4.3% |
| Adjusted transactional revenues | 169,265 | 174,755 | (5,490) | (3.1)% | (0.8)% | (2.3)% |
| Deferred revenues adjustment(1) | (438) | (3,152) | (2,714) | (86.1)% | —% | —% |
| IPM Product Line(2) | — | 20,450 | (20,450) | (100.0)% | —% | —% |
| Revenues, net | $974,345 | $968,468 | $5,877 | 0.6% | (0.6)% | 3.1% |

(1) Reflects the deferred revenues adjustment made as a result of purchase accounting related to our separation from Thomson Reuters in 2016.

(2) Reflects the revenue generated by the IPM Product Line for the year ended December 31, 2018. We sold the IPM Product Line in October 2018.

Adjusted subscription revenues of $805,518 in 2019 increased by $29,103, or 3.7% from $776,415 in 2018. On a constant currency basis, adjusted subscription revenues increased by $33,641, or 4.3%. Adjusted subscription revenues from ongoing business increased primarily due to price increases and new business within the Science Product Group, consistent with the growth in the Clarivate’s ACV, combined with revenues from the TrademarkVision and Darts-ip acquisitions, and increases related to upgrade of the Techstreet product offerings.

Adjusted transactional revenues of $169,265 in 2019 decreased by $5,490, or 3.1% from $174,755 in 2018. On a constant currency basis, adjusted transactional revenues decreased by $4,099, or 2.3%. The decline in adjusted transactional revenues reflected timing and product offerings within the IP Product Group and demand for patent services in the period. The revenues decline was offset partially by increased revenues related upgrades in the Techstreet product offerings.

| (in thousands, except percentages) | Year Ended December 31, | | | |
| | 2018 | 2017 | Total Variance (Dollars) | Total Variance (Percentage) | Percentage of Factors Increase/(Decrease) |
| | | | FX Impact | Ongoing Business | |
| Adjusted subscription revenues | $776,415 | $754,463 | $21,952 | 2.9% | 0.6% | 2.3% |
| Adjusted transactional revenues | 174,755 | 180,990 | (6,235) | (3.4)% | 1.0% | (4.4)% |
| Deferred revenues adjustment(1) | (3,152) | (49,673) | (46,521) | (93.7)% | —% | —% |
| IPM Product Line(2) | 20,450 | 31,854 | (11,404) | (35.8)% | —% | —% |
| Revenues, net | $968,468 | $917,634 | $50,834 | 5.5% | 0.7% | 1.1% |

(1) Reflects the deferred revenues adjustment made as a result of purchase accounting related to our separation from Thomson Reuters in 2016.

(2) Reflects the revenue generated by the IPM Product Line for the year ended December 31, 2018. We sold the IPM Product Line in October 2018.
Adjusted subscription revenues of $776,415 in 2018 increased by $21,952, or 2.9% from $754,463 in 2017. On a constant currency basis, adjusted subscription revenues increased by $17,685, or 2.3%. The increase in Adjusted Subscription Revenues is primarily due to price increases and new business within the Science Product Group and IP Product Group.

Adjusted transactional revenues of $174,755 in 2018 decreased by $6,235, or 3.4% from $180,990 in 2017. On a constant currency basis, adjusted transactional revenues decreased by $8,038, or 4.4%. The decrease in Adjusted Transactional Revenues reflects our product and sales strategy to enhance our subscription product offerings.

The tables present our revenues split by geographic region, separating the impacts of the deferred revenues adjustment and the IPM Product Line:

<table>
<thead>
<tr>
<th>Revenues by Geography</th>
<th>Year Ended December 31,</th>
<th>Variance Increase/(Decrease)</th>
<th>Percentage of Factors Increase/(Decrease)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2019 (in thousands)</td>
<td>2018</td>
<td>Total Variance (Dollars)</td>
</tr>
<tr>
<td>Americas</td>
<td>$463,041</td>
<td>$456,281</td>
<td>$6,760</td>
</tr>
<tr>
<td>Middle East/Africa/Europe</td>
<td>278,738</td>
<td>272,910</td>
<td>5,828</td>
</tr>
<tr>
<td>Asia Pacific</td>
<td>233,004</td>
<td>221,979</td>
<td>11,025</td>
</tr>
<tr>
<td>Deferred revenues adjustment (1)</td>
<td>(438)</td>
<td>(3,152)</td>
<td>(2,714)</td>
</tr>
<tr>
<td>IPM Product Line (2)</td>
<td>—</td>
<td>20,450</td>
<td>(20,450)</td>
</tr>
<tr>
<td>Revenues, net</td>
<td>$974,345</td>
<td>$968,468</td>
<td>$5,877</td>
</tr>
</tbody>
</table>

(1) Reflects the deferred revenues adjustment made as a result of purchase accounting related to our separation from Thomson Reuters in 2016

(2) Reflects the revenue generated by the IPM Product Line for the year ended December 31, 2018. We sold the IPM Product Line in October 2018.

On a constant currency basis, Americas revenues increased by $7,205, or 1.6%, primarily due to improved subscription revenues partially offset by a decline in transactional revenues, consistent with the explanations above. On a constant currency basis, Europe/Middle East/Africa revenues increased by $11,396, or 4.1%, primarily due to improved subscription revenues and an increase in transactional revenues as the result of increased demand and product offerings. On a constant currency basis, Asia Pacific revenues increased $10,941, or 4.9%, primarily due to improved subscription revenues partially offset by a decline in transactional revenues.
On a constant currency basis, Americas revenues increased by $10,647, or 2.4%, primarily due to improved subscription revenues partially offset by a decline in transactional revenues. On a constant currency basis, Europe/Middle East/Africa revenues decreased by $4,959, or 1.8%, primarily due to improved subscription revenues. On a constant currency basis, Asia Pacific revenues increased $3,959, or 1.8%, primarily due to improved subscription revenues.

The following tables, and the discussions that follow, present our revenues by Group for the periods indicated.

### Revenues by Geography

<table>
<thead>
<tr>
<th></th>
<th>Year Ended December 31,</th>
<th>Variance Increase/ (Decrease)</th>
<th>Percentage of Factors Increase/(Decrease)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2018</td>
<td>2017</td>
<td>Total Variance (Dollars)</td>
</tr>
<tr>
<td>Americas</td>
<td>$456,281</td>
<td>$444,875</td>
<td>$11,406</td>
</tr>
<tr>
<td>Europe/Middle East/Africa</td>
<td>272,910</td>
<td>273,706</td>
<td>(796)</td>
</tr>
<tr>
<td>Asia Pacific</td>
<td>221,979</td>
<td>216,872</td>
<td>5,107</td>
</tr>
<tr>
<td>Deferred revenues adjustment(1)</td>
<td>(3,152)</td>
<td>(49,673)</td>
<td>(46,521)</td>
</tr>
<tr>
<td>IPM Product Line(2)</td>
<td>20,450</td>
<td>31,854</td>
<td>(11,404)</td>
</tr>
<tr>
<td>Revenues, net</td>
<td>$968,468</td>
<td>$917,634</td>
<td>$50,834</td>
</tr>
</tbody>
</table>

1) Reflects the deferred revenues adjustment made as a result of purchase accounting related to our separation from Thomson Reuters in 2016

2) Reflects the revenue generated by the IPM Product Line for the year ended December 31, 2018. We sold the IPM Product Line in October 2018.

On a constant currency basis, Americas revenues increased by $10,647, or 2.4%, primarily due to improved subscription revenues partially offset by a decline in transactional revenues. On a constant currency basis, Europe/Middle East/Africa revenues decreased by $4,959, or 1.8%, primarily due to improved subscription revenues. On a constant currency basis, Asia Pacific revenues increased $3,959, or 1.8%, primarily due to improved subscription revenues.

The following tables, and the discussions that follow, present our revenues by Group for the periods indicated.

### Revenues by Product Group

<table>
<thead>
<tr>
<th></th>
<th>Year Ended December 31,</th>
<th>Variance Increase/ (Decrease)</th>
<th>Percentage of Factors Increase/(Decrease)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2019</td>
<td>2018</td>
<td>Total Variance (Dollars)</td>
</tr>
<tr>
<td>Science Product Group</td>
<td>$547,542</td>
<td>$527,877</td>
<td>$19,665</td>
</tr>
<tr>
<td>IP Product Group</td>
<td>427,241</td>
<td>423,293</td>
<td>3,948</td>
</tr>
<tr>
<td>Deferred revenues adjustment(1)</td>
<td>(438)</td>
<td>(3,152)</td>
<td>(2,714)</td>
</tr>
<tr>
<td>IPM Product Line(2)</td>
<td>—</td>
<td>20,450</td>
<td>(20,450)</td>
</tr>
<tr>
<td>Revenues, net</td>
<td>$974,345</td>
<td>$968,468</td>
<td>$5,877</td>
</tr>
</tbody>
</table>

1) Reflects the deferred revenues adjustment made as a result of purchase accounting related to our separation from Thomson Reuters in 2016

2) Reflects the revenue generated by the IPM Product Line for the year ended December 31, 2018. We sold the IPM Product Line in October 2018.

**Science Group:** Revenues of $547,542 in 2019 increased by $19,665, or 3.7%, from $527,877 in 2018. On a constant currency basis, revenues increased by $21,671, or 4.1%, driven by organic subscription revenue growth, primarily due to price increases and new business across the product offerings, consistent with the growth in the ACV. Additionally transactional revenues increased minimally due to increased demand and timing of the product offerings.

**Intellectual Property Group:** Revenues of $427,241 in 2019, increased by $3,948, or 0.9%, from $423,293 in 2018. On a constant currency basis, revenues increased by $7,868, or 1.8%, driven by revenues related to the Techstreet product upgrades. This increase was offset by a decrease from the transactional revenues due to a demand for patent services in the period, and timing and product offerings.
Revenues by Product Group | Year Ended December 31, 2018 | 2017 | Variance Increase/ (Decrease) | Percentage of Factors Increase/(Decrease)  
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total Variance (Dollars)</td>
<td>Total Variance (Percentage)</td>
<td>FX Impact</td>
<td>Ongoing Business</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Science Product Group</td>
<td>$527,877</td>
<td>$518,990</td>
<td>$8,887</td>
<td>1.7%</td>
<td>0.4%</td>
<td>1.3%</td>
</tr>
<tr>
<td>IP Product Group</td>
<td>423,293</td>
<td>416,463</td>
<td>6,830</td>
<td>1.6%</td>
<td>0.9%</td>
<td>0.7%</td>
</tr>
<tr>
<td>Deferred revenues adjustment(^{(1)})</td>
<td>$3,152</td>
<td>$(49,673)</td>
<td>$(46,521)</td>
<td>(93.7)%</td>
<td>—%</td>
<td>—%</td>
</tr>
<tr>
<td>IPM Product Line(^{(2)})</td>
<td>20,450</td>
<td>31,854</td>
<td>$(11,404)</td>
<td>(35.8)%</td>
<td>—%</td>
<td>—%</td>
</tr>
<tr>
<td>Revenues, net</td>
<td>$968,468</td>
<td>$917,634</td>
<td>$50,834</td>
<td>5.5%</td>
<td>0.7%</td>
<td>1.1%</td>
</tr>
</tbody>
</table>

(1) Reflects the deferred revenues adjustment made as a result of purchase accounting related to our separation from Thomson Reuters in 2016.

(2) Reflects the revenue generated by the IPM Product Line for the year ended December 31, 2018. We sold the IPM Product Line in October 2018.

**Science Group:** Revenues of $527,877 in 2018 increased by $8,887, or 1.7%, from $518,990 in 2017. On a constant currency basis, revenues increased by $6,571, or 1.3%. Exclusive of these currency translation effects, subscription revenues increased mainly due to net price increases on our subscription revenues products and new subscription business across our Product Lines. The increase in subscription revenues was partially offset by a decrease in transactional revenues across several products, reflecting our product and sales strategy to enhance our subscription product offerings.

**Intellectual Property Group:** Revenues of $423,293 in 2018, increased by $6,830, or 1.6%, from $416,463 in 2017. On a constant currency basis, revenues increased by $3,076, or 0.7%. Exclusive of these currency translation effects, subscription revenues increased mainly due to net price increases on our subscription revenues products and new subscription business across our Product Lines. The increase in subscription revenues was partially offset by a decrease in transactional revenues across several products, reflecting our product and sales strategy as discussed above.

**Cost of Revenues, Excluding Depreciation and Amortization**

Cost of revenues of $346,503 in 2019, decreased by $49,996, or 12.6%, from $396,499 in 2018. On a constant currency basis, cost of revenues decreased by $45,330, or 11.4%, due to a $32,493 decrease in transition services agreement data center costs and a $11,489 decrease in costs associated with the divestiture of the IPM Product Line.

Cost of revenues increased by $2,284, or 0.6%, from $394,215 in 2017 to $396,499 in 2018. Excluding the $3,764 of cost attributable to foreign currency translation effects, Cost of revenues declined slightly between periods. The change also reflected a $23,300 decrease in transition services agreement fees allocated to Cost of revenues and a $9,000 decrease in consulting fees for outside services as well as an increase of $36,000 in technology related costs attributable to the in-house establishment of functions for maintaining our product content to replace services previously provided by Thomson Reuters, mainly cloud computing and data service centers.

**Selling, General and Administrative, Excluding Depreciation and Amortization**

Selling, general and administrative expense of $368,675 in 2019, remained consistent by $702, or 0.2%, from $369,377 in 2018. On a constant currency basis, cost of revenues increased by $3,280, or 0.9%. The change reflected a $22,128 increase in people related costs which is due to the increase in headcount for the stand-alone transition. This increase was offset by a decrease of $6,154 in contract labor, $9,095 in transition services agreement fees and $2,709 of costs related to the divestiture of the IPM product line.
Selling, general and administrative expense, excluding depreciation and amortization, increased by $26,234, or 7.6%, from $343,143 in 2017 to $369,377 in 2018. Excluding the $2,039 of cost attributable to foreign currency translation effects, the increase was driven by a $16,000 increase in people related cost such as salaries and recruitment costs which were driven by an increase in headcount and merit raises, a $6,000 increase in professional fees such as audit and tax fees due to an increase in required reporting, and a $4,102 increase in telecommunication costs. These increases in cost were offset by a net $1,000 decline in cost primarily associated with facility, technology, and advertising cost incurred as a standalone company compared to the cost that would have been paid to Thomson Reuters.

**Share-based Compensation**

Share-based compensation expense of $51,383 in 2019, increased by $37,668, from $13,715 in 2018 primarily driven by accelerated vesting and expense related to our merger with Churchill Capital Corp in 2019, offset by forfeited options and a lower number of grants in the year.

Share-based compensation expense decreased by $3,948, or 22.4%, from $17,663 in 2017 to $13,715 in 2018, reflecting a net decrease in equity compensation vesting attributable to a decline in grants in 2018 from 2017 and 2017 from 2016.

**Depreciation**

Depreciation expense of $9,181 in 2019, decreased by $241, or 2.6%, from $9,422 in 2018, driven by the run-off of previously purchased capital expenditures. This decrease was partially offset by new purchases of fixed assets.

Depreciation expense increased by $2,425, or 34.7%, from $6,997 in 2017 to $9,422 in 2018. The increase relates primarily to increased purchases of fixed assets, particularly computer hardware.

**Amortization**

Amortization expense of $191,361 in 2019, decreased by $36,442, or 16.0%, from $227,803 in 2018, primarily related to intangible assets acquired in connection with our separation from Thomson Reuters in 2016 that are now fully amortized, coupled with the divestiture of the IPM Product Line and related assets.

Amortization expense increased by $6,337, or 2.9%, from $221,466 in 2017 to $227,803 in 2018. The increase primarily relates to an increase in intangible assets related to the Publons acquisition, and computer software associated with the capitalization of internal and external labor during 2018. This was partially offset by a reduction in intangible amortization due to the divestiture of the IPM Product Line and related assets.

**Impairment on Assets Held for Sale**

The year ended December 31, 2019 includes an impairment on assets held for sale of $18,431. On November 3, 2019, the Company entered into an agreement with OpSec Security for the sale of certain assets and liabilities of its MarkMonitor Product Line within its IP Group. At December 31, 2019, an impairment charge of $18,431 was recognized in the Statement of Operations during the fourth quarter to reduce the Assets Held for Sale to their fair value. See “Item 8. Financial Statements and Supplementary Data — Notes to the Consolidated Financial Statements — Note 5” for further information.

**Transaction Expenses**

Transaction expenses of $46,214 in 2019, increased by $43,757, from $2,457 in 2018. The increase in transaction expenses primarily relate to costs incurred in association with our merger with Churchill Capital Corp in 2019 coupled with costs related to the debt refinancing, secondary offerings, contingent payment earn out adjustments and divestitures and acquisitions.
Transaction expenses increased by $212, or 9.4%, from $2,245 in 2017 to $2,457 in 2018. Transaction expenses primarily related to acquisitions and dispositions that occurred during the applicable period.

**Transition, Integration and Other Related Expenses**

Transition, integration, and other expenses of $14,239 in 2019, decreased by $47,043, or 76.8%, from $61,282 in 2018. The decrease reflects the slowing pace of costs incurred in connection with establishing our standalone company infrastructure following our separation from Thomson Reuters in 2016. Transition, integration, and other expenses decreased by $17,413, or 22.1%, from $78,695 in 2017 to $61,282 in 2018. The decrease reflects the gradual slowing in the pace of costs incurred to establish our standalone company infrastructure as we completed the establishment of necessary functions, systems and processes. We expect the pace of costs incurred to continue to slow.

**Restructuring**

Restructuring of $15,670 in 2019, increased by $15,670, from $0 in 2018. The increase is related to an initiative, following our merger with Churchill Capital Corp in 2019, to streamline our operations by simplifying our organization and focusing on two product groups.

**Legal Settlement**

The year ended December 31, 2019 includes a gain for a confidential legal settlement of $39,399.

**Other Operating Income (Expense), Net**

Other operating income (expense), net of $4,826 in 2019, decreased by $1,553, or 24.3% from $6,379 in 2018, attributable to the consolidated impact of the remeasurement of the assets and liabilities of our company that are denominated in currencies other than each relevant entity’s functional currency.

Other operating income (expense), net was $6,379 in 2018, compared to other operating expense of $237 in 2017. Of the $6,616 change between periods, $3,575 was attributable to the consolidated impact of the remeasurement of the assets and liabilities of our company that are denominated in currencies other than each relevant entity’s functional currency and a $36,072 net gain from the sale of the IPM Product Line and related assets, which was partially offset by a $33,819 loss on the write down of a tax indemnity asset due to a dispute with the indemnitor.

**Interest Expense, net**

Interest expense, net of $157,689 in 2019, increased by $26,884, or 20.6%, from $130,805 in 2018. The increase was attributable to the write down of deferred financing charges and original issuance discount on our prior term loan facility in proportion to the principal paydown; in addition to debt extinguishment and refinancing related costs on the October 2019 refinancing of our prior credit facilities and notes. This was offset by lower interest payments due to lower interest and LIBOR rates as a result of the refinance and the voluntary prepayment of our prior term loan in connection with the closing of our merger with Churchill Capital Corp in 2019.

Interest expense, net decreased by $7,391, or 5.3%, from $138,196 in 2017 to $130,805 in 2018. The decrease was primarily due to debt issuance cost write-offs resulting from debt amendments in 2017, and associated lower interest rate margin in the fourth quarter. These decreases were partially offset by increases in LIBOR, which was the base rate on our term loan facility, through the course of 2018.
Provision for Income Taxes

Provision for income tax of $10,201 in 2019, increased by $4,552, or 80.6%, from $5,649 in 2018. The increase in tax expense is due to the base erosion and anti-abuse (BEAT) tax and tax on mergers, offset by deferred tax movements. Our effective tax rate is (5.1)% in 2019 and was (2.4)% in 2018. Differences in effective tax rates for the reported periods are attributable to changes in valuation allowance, BEAT tax, non-deductible capitalization costs and changes in income/losses for the different rates in various jurisdictions. The current year effective tax rate may not be indicative of our effective tax rates for future periods.

Provision for income tax of $5,649 in 2018 increased by $26,942 from a benefit of $21,293 in 2017. The provision in 2018, despite a loss before tax reflects unrecognized tax losses and valuation allowance. In 2017 we recorded a $16,500 one-time tax benefit, attributable to changes in Belgian and U.S. tax rates. Our effective tax rate was (2.4)% in 2018 and was 7.5% in 2017. Differences in effective tax rates for the reported periods are attributable mainly to changes in valuation allowance and temporary differences and the one-time impacts discussed below, and may not be indicative of our effective tax rates for future periods. In addition, changes in applicable tax rates were enacted in 2017, including in Belgium and the United States, and the Company recorded a tax benefit related to these changes. We did not provide for income or withholding taxes on the undistributed income of our foreign subsidiaries as of December 31, 2018, because we intend to permanently reinvest these earnings.

Certain Non-GAAP Measures

We include non-GAAP measures in this annual report, including Adjusted Revenues, Adjusted Subscription Revenues, Adjusted Transactional Revenues, Adjusted EBITDA, Adjusted EBITDA margin and Free Cash Flow because they are a basis upon which our management assesses our performance and we believe they reflect the underlying trends and indicators of our business by allowing management to focus on the most meaningful indicators of our continuous operational performance.

Although we believe these measures are useful for investors for the same reasons, we recommend users of the financial statements to note these measures are not a substitute for GAAP financial measures or disclosures. We provide reconciliations of these non-GAAP measures to the corresponding most closely related GAAP measure.

Adjusted Revenues, Adjusted Subscription Revenues and Adjusted Transactional Revenues

We present Adjusted Revenues, which excludes the impact of the deferred revenue purchase accounting adjustment (recorded in connection with the separation from Thomson Reuters) and revenues from divestitures. We also present Adjusted Subscription Revenues and Adjusted Transactional Revenues, which exclude the revenues from divestitures. We present these measures because we believe they are useful to readers to better understand the underlying trends in our operations.

Our presentation of Adjusted Revenues, Adjusted Subscription Revenues and Adjusted Transactional Revenues is for informational purposes only and is not necessarily indicative of our future results. You should compensate for these limitations by relying primarily on our GAAP results and only using non-GAAP measures for supplementary analysis.
The following table presents our calculation of Adjusted Revenues for the years ended December 31, 2019, 2018, and 2017 and a reconciliation of this measure to our Revenues, net for the same periods:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues, net</td>
<td>$974,345</td>
<td>$968,468</td>
<td>$917,634</td>
<td>0.6%</td>
<td>5.5%</td>
</tr>
<tr>
<td>Deferred revenues purchase accounting adjustment</td>
<td>438</td>
<td>3,152</td>
<td>49,673</td>
<td>(86.1)%</td>
<td>(93.7)%</td>
</tr>
<tr>
<td>Revenue attributable to IPM Product Line</td>
<td>—</td>
<td>(20,450)</td>
<td>(31,854)</td>
<td>(100.0)%</td>
<td>(35.8)%</td>
</tr>
<tr>
<td>Adjusted Revenues</td>
<td>$974,783</td>
<td>$951,170</td>
<td>$935,453</td>
<td>2.5%</td>
<td>1.7%</td>
</tr>
</tbody>
</table>

The following table presents our calculation of Adjusted Subscription Revenues and Adjusted Transactional Revenues for the years ended December 31, 2019, 2018 and 2017 and a reconciliation of these measures to Subscription revenues and Transactional revenues, respectively, for the same periods:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Subscription revenues</td>
<td>$805,518</td>
<td>$794,097</td>
<td>$785,717</td>
<td>1.4%</td>
<td>1.1%</td>
</tr>
<tr>
<td>Revenue attributable to IPM Product Line</td>
<td>—</td>
<td>(17,682)</td>
<td>(31,254)</td>
<td>(100.0)%</td>
<td>(43.4)%</td>
</tr>
<tr>
<td>Adjusted subscription revenues</td>
<td>$805,518</td>
<td>$776,415</td>
<td>$754,463</td>
<td>3.7%</td>
<td>2.9%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Transactional revenues</td>
<td>$169,265</td>
<td>$177,523</td>
<td>$181,590</td>
<td>(4.7)%</td>
<td>(2.2)%</td>
</tr>
<tr>
<td>Revenue attributable to IPM Product Line</td>
<td>—</td>
<td>(2,768)</td>
<td>(600)</td>
<td>(100.0)%</td>
<td>361.3%</td>
</tr>
<tr>
<td>Adjusted transactional revenues</td>
<td>$169,265</td>
<td>$174,755</td>
<td>$180,990</td>
<td>(3.1)%</td>
<td>(3.4)%</td>
</tr>
</tbody>
</table>
**Adjusted EBITDA and Adjusted EBITDA margin**

Adjusted EBITDA is presented because it is a basis upon which our management assesses our performance, and we believe it is useful for investors to understand the underlying trends of our operations. See "— Certain Non-GAAP Measures — Adjusted EBITDA and Adjusted EBITDA margin" for important information on the limitations of Adjusted EBITDA and its reconciliation to our Net loss under GAAP. Adjusted EBITDA represents net (loss) income before provision for income taxes, depreciation and amortization, interest income and expense adjusted to exclude acquisition or disposal-related transaction costs (such costs include net income from continuing operations before provision for income taxes, depreciation and amortization and interest income and expense from divestitures), losses on extinguishment of debt, stock-based compensation, unrealized foreign currency gains/(losses), costs associated with the transition services agreement with Thomson Reuters, which we entered into in connection with our separation from Thomson Reuters in 2016, separation and integration costs, transformational and restructuring expenses, acquisition-related adjustments to deferred revenues, costs related to our merger with Churchill Capital Corp in 2019, non-cash income/(loss) on equity and cost method investments, non-operating income or expense, the impact of certain non-cash, legal settlements and other items that are included in net income for the period that the Company does not consider indicative of its ongoing operating performance and certain unusual items impacting results in a particular period. Adjusted EBITDA margin is calculated by dividing Adjusted EBITDA by Adjusted Revenues.

Our presentation of Adjusted EBITDA and Adjusted EBITDA margin should not be construed as an inference that our future results will be unaffected by any of the adjusted items, or that our projections and estimates will be realized in their entirety or at all. In addition, because of these limitations, Adjusted EBITDA should not be considered as a measure of liquidity or discretionary cash available to us to fund our cash needs, including investing in the growth of our business and meeting our obligations. You should compensate for these limitations by relying primarily on our U.S. GAAP results and only use Adjusted EBITDA and Adjusted EBITDA margin for supplementary analysis.

The following table presents our calculation of Adjusted EBITDA for the years ended December 31, 2019, 2018 and 2017, and reconciles these measures to our Net loss for the same periods:

<table>
<thead>
<tr>
<th>(in thousands)</th>
<th>2019</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net loss</strong></td>
<td>$ (210,977)</td>
<td>$ (242,162)</td>
<td>$ (263,930)</td>
</tr>
<tr>
<td>(Benefit) provision for income taxes</td>
<td>10,201</td>
<td>5,649</td>
<td>(21,293)</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>200,542</td>
<td>237,225</td>
<td>228,463</td>
</tr>
<tr>
<td>Interest, net</td>
<td>157,689</td>
<td>130,805</td>
<td>138,196</td>
</tr>
<tr>
<td>Transition services agreement costs(1)</td>
<td>10,481</td>
<td>55,764</td>
<td>89,942</td>
</tr>
<tr>
<td>Transition, transformation and integration expense(2)</td>
<td>24,372</td>
<td>69,185</td>
<td>86,809</td>
</tr>
<tr>
<td>Deferred revenues adjustment(3)</td>
<td>438</td>
<td>3,152</td>
<td>49,673</td>
</tr>
<tr>
<td>Transaction related costs(4)</td>
<td>46,214</td>
<td>2,457</td>
<td>2,245</td>
</tr>
<tr>
<td>Share-based compensation expense</td>
<td>51,383</td>
<td>13,715</td>
<td>17,663</td>
</tr>
<tr>
<td>Gain on sale of IPM Product Line</td>
<td>—</td>
<td>(36,072)</td>
<td>—</td>
</tr>
<tr>
<td>Tax indemnity asset(5)</td>
<td>—</td>
<td>33,819</td>
<td>—</td>
</tr>
<tr>
<td>IPM adjusted operating margin(6)</td>
<td>—</td>
<td>(5,897)</td>
<td>(6,811)</td>
</tr>
<tr>
<td>Restructuring(7)</td>
<td>15,670</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Legal Settlement</td>
<td>(39,399)</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Impairment on assets held for sale</td>
<td>18,431</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Other(8)</td>
<td>9,021</td>
<td>5,221</td>
<td>(1,250)</td>
</tr>
<tr>
<td><strong>Adjusted EBITDA</strong></td>
<td>$ 294,066</td>
<td>$ 272,861</td>
<td>$ 319,707</td>
</tr>
<tr>
<td><strong>Adjusted EBITDA margin</strong></td>
<td>30.2%</td>
<td>28.7%</td>
<td>34.2%</td>
</tr>
</tbody>
</table>

62
(1) Includes accruals for payments to Thomson Reuters under the transition services agreement. These costs have decreased substantially in 2019, as we are in the final stages of implementing our standalone company infrastructure.

(2) Includes costs incurred in connection with and after our separation from Thomson Reuters in 2016 relating to the implementation of our standalone company infrastructure and related cost-savings initiatives. These costs include mainly transition consulting, technology infrastructure, personnel and severance expenses relating to our standalone company infrastructure, which are recorded in Transition, integration, and other line-item of our income statement, as well as expenses related to the restructuring and transformation of our business following our separation from Thomson Reuters in 2016 mainly related to the integration of separate business units into one functional organization and enhancements in our technology.

(3) Reflects deferred revenues fair value accounting adjustment arising from purchase price allocation in connection with our separation from Thomson Reuters in 2016 See “—Factors Affecting the Comparability of Our Results of Operations — Our Transition to Operations as a Standalone Business — Purchase Accounting Impact of Our Separation from Thomson Reuters in 2016.”

(4) Includes consulting and accounting costs associated with acquisitions and the sale of the IPM Product Line and sale of MarkMonitor business.

(5) Reflects the write down of a tax indemnity asset.

(6) Reflects the IPM Product Line’s operating margin, excluding amortization and depreciation, prior to its divestiture in October 2018.

(7) Reflects costs incurred in connection with the initiative, following our merger with Churchill Capital Corp in 2019, to streamline our operations by simplifying our organization and focusing on two product groups.

(8) Includes primarily the net impact of foreign exchange gains and losses related to the re-measurement of balances and other items that do not reflect our ongoing operating performance.

**Free Cash Flow**

We use free cash flow in our operational and financial decision-making and believe free cash flow is useful to investors because similar measures are frequently used by securities analysts, investors, ratings agencies and other interested parties to evaluate our competitors and to measure the ability of companies to service their debt.

Our presentation of free cash flow should not be construed as a measure of liquidity or discretionary cash available to us to fund our cash needs, including investing in the growth of our business and meeting our obligations. You should compensate for these limitations by relying primarily on our U.S. GAAP results.

We define free cash flow as net cash provided by operating activities less capital expenditures. For further discussion on free cash flow, including a reconciliation to cash flows provided by operating activities, refer to “— Liquidity and Capital Resources — Cash Flows” below.

**Liquidity and Capital Resources**

Liquidity describes the ability of a company to generate sufficient cash flows to meet the cash requirements of its business operations, including working capital needs, capital expenditures, debt service, acquisitions, other commitments and contractual obligations. Our principal sources of liquidity include cash from operating activities, cash and cash equivalents on our Consolidated Balance Sheet and amounts available under our revolving credit facility. We consider liquidity in terms of the sufficiency of these resources to fund our operating, investing and financing activities for a period of 12 months after the financial statement issuance date.

Our cash flows from operations are generated primarily from payments from our subscription customers. As described above, the standard term of a subscription is typically 12 months. When a customer enters into a new subscription agreement, or submits a notice to renew their subscription, we typically invoice for the full amount of the subscription period, record the balance to deferred revenues, and ratably recognize the deferral throughout the subscription period. As a result, we experience cash flow seasonality throughout the year, with a heavier weighting of operating cash inflows occurring during the first half, and particularly first quarter, of the year, when most subscription invoices are sent, as compared to the second half of the year.
We require and will continue to need significant cash resources to, among other things, meet our debt service requirements under our credit facilities, our secured notes due 2026 and any future indebtedness, fund our working capital requirements, make capital expenditures (including related to product development), and expand our business through acquisitions. Based on our forecasts, we believe that cash flow from operations, available cash on hand and available borrowing capacity under our revolving credit facility will be adequate to service debt, meet liquidity needs and fund necessary capital expenditures for at least the next 12 months. Our future capital requirements will depend on many factors, including the number of future acquisitions, data center infrastructure investments, and the timing and extent of spending to support product development efforts. We could be required, or could elect, to seek additional funding through public or private equity or debt financings; however, additional funds may not be available on terms acceptable to us.

Cash and cash equivalents were $76,130, $25,575, and $53,186 as of December 31, 2019, December 31, 2018 and December 31, 2017, respectively. As of December 31, 2019, we had approximately $1,665,000 of debt, consisting primarily of $900,000 in borrowings under our term loan facility, $700,000 in outstanding principal of secured notes due 2026 and $65,000 of borrowings under our revolving credit facility (which borrowings under our revolving credit facility we subsequently paid down in full in February 2020). On February 28, 2020, we incurred an incremental $360,000 of term loans under our term loan facility and used the net proceeds from such borrowings, together with cash on hand, to fund a portion of the cash consideration for the DRG acquisition and to pay related fees and expenses. See “—Debt Profile” below.
Cash Flows

The following table discloses our consolidated cash flows provided by (used in) operating, investing and financing activities for the periods presented:

<table>
<thead>
<tr>
<th>Year Ended December 31,</th>
<th>2019</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net cash provided by (used in) operating activities</td>
<td>$117,580</td>
<td>$(26,100)</td>
<td>$6,667</td>
</tr>
<tr>
<td>Net cash provided by (used in) investing activities</td>
<td>(140,885)</td>
<td>11,934</td>
<td>(40,205)</td>
</tr>
<tr>
<td>Net cash provided by (used in) financing activities</td>
<td>75,215</td>
<td>(32,605)</td>
<td>22,818</td>
</tr>
<tr>
<td>Effect of exchange rates</td>
<td>(971)</td>
<td>(5,193)</td>
<td>3,248</td>
</tr>
<tr>
<td>Increase (Decrease) in cash and cash equivalents</td>
<td>50,939</td>
<td>(51,964)</td>
<td>(7,472)</td>
</tr>
<tr>
<td>Cash and cash equivalents beginning of the year</td>
<td>25,584</td>
<td>77,548</td>
<td>85,020</td>
</tr>
<tr>
<td>Less: Cash included in assets held for sale, end of period</td>
<td>(384)</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Cash and cash equivalents end of the year</td>
<td>$76,139</td>
<td>$25,584</td>
<td>$77,548</td>
</tr>
</tbody>
</table>

Cash Flows Provided by (Used in) Operating Activities

Net cash provided by operating activities consists of net loss adjusted for non-cash items, such as: depreciation and amortization of property and equipment and intangible assets, deferred income taxes, share-based compensation, deferred finance charges and for changes in net working capital assets and liabilities.

Net cash provided by operating activities was $117,580 for the year ended December 31, 2019 compared to net cash used in operating activities of $26,100 for the year ended December 31, 2018. The $117,580 of net cash provided by operating activities for the year ended December 31, 2019 includes net loss of $210,977 offset with $324,842 of non-cash adjustments and changes in operating assets and liabilities.

Net cash used in operating activities was $26,100 for the year ended December 31, 2018 compared to net cash provided by operating activities of $6,667 for the year ended December 31, 2017. The $32,767 negative change in 2018 was primarily due to a $27,200 change in operating working capital.

Cash Flows Provided by (Used in) Investing Activities

Net cash used in investing activities was $140,885 for the year ended December 31, 2019. Cash flows used in investing reflects the following activity: (1) $69,836 in capital expenditures; (2) $68,424 for the acquisition of Darts-ip, a provider of global IP case law data and analytics headquartered in Brussels, Belgium; (3) $2,625 for the acquisition of key business assets of SequenceBase.
Net cash provided by investing activities was $11,934 for the year ended December 31, 2018. Cash flows used in investing reflects the following activity: (1) $80,883 in net proceeds from the IPM Product Line divestiture (net of restricted cash and cash included in normalized working capital, as well as a working capital adjustment of $6,135), partially offset by (2) $45,410 in capital expenditures and (3) $23,539 in acquisitions, mainly TradeMarkVision and Kopernio.

Net cash used in investing activities was $40,205 for the year ended December 31, 2017. Cash flows used in investing reflects the following activity: (1) $37,804 in capital expenditures; (2) $7,401 in acquisitions related to Publons, a researcher-facing peer-review data and recognition platform; (3) offset by $5,000 in proceeds from the sale of an equity method investment.

Our capital expenditures in 2019, 2018 and 2017 consisted primarily of capitalized labor, consulting and other costs associated with product development.

Cash Flows Provided (Used in) Financing Activities

Net cash provided by financing activities was $75,215 for the year ended December 31, 2019. Key drivers of the cash flows provided by financing include: (1) $1,600,000 of proceeds related to the refinancing of debt as described in Note 14—“Long Term Debt”; (2) $682,087 of proceeds from our merger with Churchill Capital Corp in 2019, net of cash acquired; (3) $200,000 related to the tax receivable agreement (See “Item 8. Financial Statements and Supplementary Data—Notes to the Consolidated Financial Statements—Note 20” for additional detail); (4) $70,000 in proceeds from our revolving credit facility; (5) $1,582 for the exercise of warrants and employee share options. This activity was offset by cash flows used in financing due to: (1) $1,342,651 due to the extinguishment of old debt; (2) Payment of $641,509 on our prior term loan facility upon consummation of the transaction with Churchill (includes $11,509 of recurring term loan principal repayments); (3) $50,000 repayment of borrowings under our prior revolving credit facility, and (4) $41,923 of debt issuance costs pursuant to the new debt.

Net cash used in financing activities was $32,605 for the year ended December 31, 2018. Key drivers of the cash flows used in financing include: (1) $46,709 in net repayments of debt under our term loan facility, mainly driven by an excess cash repayment of $31,378 following the IPM Product Line divestiture and standard recurring principle repayments of $15,000; (2) $30,000 repayment of borrowings under our revolving credit facility and (3) $2,470 contingent purchase price paid as a result of Publons achieving the first tier of milestones and performance metrics. This activity was offset by cash flows provided by financing due to: (1) $45,000 draw on our revolving credit facility in the second half of 2018, and (2) 1,574 for the exercise of warrants and employee share options.

Net cash provided by financing activities was $22,818 for the year ended December 31, 2017. Key drivers of the cash flows provided by financing include: (1) $30,000 in proceeds from our revolving credit facility; (2) $9,058 in proceeds from the issuance of equity related to management; offset by (3) $15,423 in principal payments on our term loan facility.

In February 2020, we completed an underwritten public offering of 27,600,000 of our ordinary shares, generating net proceeds of $540,736, which we used to fund a portion of the cash consideration for the DRG acquisition. In addition, we incurred an incremental $360,000 of term loans under our term loan facility and used the net proceeds from such borrowings, together with cash on hand, to fund the remainder of the cash consideration for the DRG acquisition and to pay related fees and expenses.

During the period January 1, 2020 through February 21, 2020, 24,132,666 of the Company’s outstanding warrants were exercised for one ordinary share per whole warrant at a price of $11.50 per share.
**Free Cash Flow (non-GAAP measure)**

The following table reconciles free cash flow measure, which is a non-GAAP measure, to net cash provided by operating activities:

<table>
<thead>
<tr>
<th>(in thousands)</th>
<th>2019</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net cash provided by (used in) operating activities</td>
<td>$117,580</td>
<td>$(26,100)</td>
<td>$6,667</td>
</tr>
<tr>
<td>Capital expenditures</td>
<td>$(69,836)</td>
<td>$(45,410)</td>
<td>$(37,804)</td>
</tr>
<tr>
<td>Free cash flow</td>
<td>$47,744</td>
<td>$(71,510)</td>
<td>$(31,137)</td>
</tr>
</tbody>
</table>

Free cash flow was $47,744 for the year ended December 31, 2019, compared to a use of $71,510 for the year ended December 31, 2018 and a use of $31,137 for the year ended December 31, 2017. The increase in free cash flow was primarily due to higher net cash provided by operating activities.

**Required Reported Data - Standalone Adjusted EBITDA**

We are required to report Standalone Adjusted EBITDA, which is substantially similar to Consolidated EBITDA and EBITDA as such terms are defined under our credit facilities, dated as of October 31, 2019 and the indenture governing our secured notes due 2026 issued by Camelot Finance S.A. and guaranteed by certain of our subsidiaries, respectively. In addition, the credit facilities and the indenture contain certain restrictive covenants that govern debt incurrence and the making of restricted payments, among other matters. These restrictive covenants utilize Standalone Adjusted EBITDA as a primary component of the compliance metric governing our ability to undertake certain actions otherwise prescribed by such covenants. Standalone Adjusted EBITDA reflects further adjustments to Adjusted EBITDA for cost savings already implemented and excess standalone costs.

Because Standalone Adjusted EBITDA is required pursuant to the terms of the reporting covenants under the credit facilities and the indenture and because this metric is relevant to lenders and noteholders, management considers Standalone Adjusted EBITDA to be relevant to the operation of its business. It is also utilized by management and the compensation committee of the Board as an input for determining incentive payments to employees.

Excess standalone costs are the difference between our actual standalone company infrastructure costs, and our estimated steady state standalone infrastructure costs. We make an adjustment for the difference because we have had to incur costs under the transition services agreement with Thomson Reuters after we had implemented the infrastructure to replace the services provided pursuant to the transition services agreement, thereby incurring dual running costs. Furthermore, there has been a ramp up period for establishing and optimizing the necessary standalone infrastructure. Since our separation from Thomson Reuters, we have had to transition quickly to replace services provided under the transition services agreement, with optimization of the relevant standalone functions typically following thereafter. Cost savings reflect the annualized “run rate” expected cost savings, net of actual cost savings realized, related to restructuring and other cost savings initiatives undertaken during the relevant period.

Standalone Adjusted EBITDA is calculated under the credit facilities and the indenture by using our consolidated net income for the trailing 12-month period (defined in the credit facilities and the indenture as our U.S. GAAP net income adjusted for certain items specified in the credit facilities and the indenture) adjusted for items including: taxes, interest expense, depreciation and amortization, non-cash charges, expenses related to capital markets transactions, acquisitions and dispositions, restructuring and business optimization charges and expenses, consulting and advisory fees, run-rate cost savings to be realized as a result of actions taken or to be taken in connection with an acquisition, disposition, restructuring or cost savings or similar initiatives, “run rate” expected cost savings, operating expense reductions, restructuring charges and expenses and synergies related to the transition projected by us, costs related to any management or equity stock plan, other adjustments that were presented in the offering memorandum used in connection with the issuance of the secured notes due 2026 and earnout obligations incurred in connection with an acquisition or investment.
The following table reconciles Standalone Adjusted EBITDA to our Net loss for the periods presented:

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net loss</strong></td>
<td>$(210,977)</td>
<td>$(242,162)</td>
<td>$(263,930)</td>
</tr>
<tr>
<td>(Benefit) provision for income taxes</td>
<td>10,201</td>
<td>5,649</td>
<td>(21,293)</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>200,542</td>
<td>237,225</td>
<td>228,463</td>
</tr>
<tr>
<td>Interest, net</td>
<td>157,689</td>
<td>130,805</td>
<td>138,196</td>
</tr>
<tr>
<td>Transition services agreement costs(1)</td>
<td>10,481</td>
<td>55,764</td>
<td>89,942</td>
</tr>
<tr>
<td>Transition, transformation and integration expense(2)</td>
<td>24,372</td>
<td>69,185</td>
<td>86,809</td>
</tr>
<tr>
<td>Deferred revenues adjustment(3)</td>
<td>438</td>
<td>3,152</td>
<td>49,673</td>
</tr>
<tr>
<td>Transaction related costs(4)</td>
<td>46,214</td>
<td>2,457</td>
<td>2,245</td>
</tr>
<tr>
<td>Gain on sale of IPM Product Line</td>
<td>—</td>
<td>(36,072)</td>
<td>—</td>
</tr>
<tr>
<td>Share-based compensation expense</td>
<td>51,383</td>
<td>13,715</td>
<td>17,663</td>
</tr>
<tr>
<td>Tax indemnity asset(5)</td>
<td>—</td>
<td>33,819</td>
<td>—</td>
</tr>
<tr>
<td>IPM adjusted operating margin(6)</td>
<td>—</td>
<td>(5,897)</td>
<td>(6,811)</td>
</tr>
<tr>
<td>Restructuring(7)</td>
<td>15,670</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Legal settlement(39,399)</td>
<td>(39,399)</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Impairment on assets held for sale</td>
<td>18,431</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Other(8)</td>
<td>9,021</td>
<td>5,221</td>
<td>(1,250)</td>
</tr>
<tr>
<td><strong>Adjusted EBITDA</strong></td>
<td>294,066</td>
<td>272,861</td>
<td>319,707</td>
</tr>
<tr>
<td>Realized foreign exchange gain</td>
<td>(3,500)</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Cost savings(9)</td>
<td>15,500</td>
<td>12,700</td>
<td>9,700</td>
</tr>
<tr>
<td>Excess standalone costs(10)</td>
<td>30,000</td>
<td>25,407</td>
<td>(24,600)</td>
</tr>
<tr>
<td><strong>Standalone Adjusted EBITDA</strong></td>
<td>$336,066</td>
<td>$310,968</td>
<td>$304,807</td>
</tr>
</tbody>
</table>

(1) Includes accruals for payments to Thomson Reuters under the transition services agreement. These costs have decreased substantially in 2019, as we are in the final stages of implementing our standalone company infrastructure.

(2) Includes costs incurred in connection with and after our separation from Thomson Reuters in 2016 relating to the implementation of our standalone company infrastructure and related cost-savings initiatives. These costs include mainly transition consulting, technology infrastructure, personnel and severance expenses relating to our standalone company infrastructure, which are recorded in Transition, integration, and other line-item of our income statement, as well as expenses related to the restructuring and transformation of our business following our separation from Thomson Reuters in 2016 mainly related to the integration of separate business units into one functional organization and enhancements in our technology.

(3) Reflects deferred revenues fair value accounting adjustment arising from purchase price allocation in connection with our separation from Thomson Reuters in 2016. See “—Factors Affecting the Comparability of Our Results of Operations — Our Transition to Operations as a Standalone Business — Purchase Accounting Impact of Our Separation from Thomson Reuters in 2016.”

(4) Includes consulting and accounting costs associated with acquisitions and the sale of the IPM Product Line and sale of MarkMonitor business.

(5) Reflects the write down of a tax indemnity asset.

(6) Reflects the IPM Product Line’s operating margin, excluding amortization and depreciation, prior to its divestiture in October 2018.

(7) Reflects costs incurred in connection with the initiative, following our merger with Churchill Capital Corp in 2019, to streamline our operations by simplifying our organization and focusing on two product groups.
The foregoing adjustments (9) and (10) are estimates and are not intended to represent pro forma adjustments presented within the guidance of Article 11 of Regulation S-X. Although we believe these estimates are reasonable, actual results may differ from these estimates, and any difference may be material. See “Cautionary Statement Regarding Forward-Looking Statements.”

Debt Profile

Secured Notes Due 2026

On October 31, 2019, we closed a private offering of $700,000 in aggregate principal amount of secured notes due 2026 bearing interest at 4.50% per annum. The secured notes due 2026 were issued by Camelot Finance S.A., an indirect wholly-owned subsidiary of Clarivate, are secured on a first-lien pari passu basis with borrowings under the credit facilities, and are guaranteed on a joint and several basis by certain of Clarivate’s subsidiaries. We used the net proceeds from the offering of secured notes due 2026, together with proceeds from the credit facilities discussed below to, among other things, redeem in full our secured notes due 2026, refinance all amounts terminating under the tax receivable agreement and under the prior credit facilities, fund in full the $200,000 payment pursuant to the agreement, and pay fees and expenses related to the foregoing.

The indenture governing the secured notes due 2026 contains covenants which, among other things, limit the incurrence of additional indebtedness (including acquired indebtedness), issuance of certain preferred stock, the payment of dividends, making restricted payments and investments, the purchase or acquisition or retirement for value of any equity interests, the provision of loans or advances to restricted subsidiaries, the sale or lease or transfer of any properties to any restricted subsidiaries, the transfer or sale of assets, and the creation of certain liens. As of the date of this annual report, we believe we were in compliance with the indenture covenants.

Credit Facilities

On October 31, 2019, we entered into a $900,000 term loan facility, which was fully drawn at closing, and a $250,000 revolving credit facility, which was undrawn at closing. The revolving credit facility matures on October 31, 2024 and the term loan facility matures on October 31, 2026. On February 28, 2020, we incurred an incremental $360,000 of term loans under our term loan facility and used the net proceeds from such borrowings to fund a portion of the cash consideration for the DRG acquisition.

Borrowings under the credit facilities bear interest at a floating rate which can be, at our option, either (i) a Eurocurrency rate plus an applicable margin or (ii) an alternate base rate (equal to the highest of (i) the rate which Bank of America, N.A. announces as its prime lending rate, (ii) the Federal Funds Effective Rate plus one-half of 1.00% and (iii) the Eurocurrency rate for an interest period of one month for loans denominated in dollars plus 1.00%) plus an applicable margin, in either case, subject to a Eurocurrency rate floor of 0.00%. Commencing March 31, 2020, the term loan facility will amortize in equal quarterly installments in an amount equal to 1.00% per annum of the original par principal amount thereof, with the remaining balance due at final maturity.

<table>
<thead>
<tr>
<th>(in thousands)</th>
<th>2019</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Actual standalone company infrastructure costs</td>
<td>$162,000</td>
<td>$153,607</td>
<td>$97,100</td>
</tr>
<tr>
<td>Steady state standalone cost estimate</td>
<td>(132,000)</td>
<td>(128,200)</td>
<td>(121,700)</td>
</tr>
<tr>
<td>Excess standalone costs</td>
<td>$30,000</td>
<td>$25,407</td>
<td>$24,600</td>
</tr>
</tbody>
</table>

The foregoing adjustments (9) and (10) are estimates and are not intended to represent pro forma adjustments presented within the guidance of Article 11 of Regulation S-X. Although we believe these estimates are reasonable, actual results may differ from these estimates, and any difference may be material. See “Cautionary Statement Regarding Forward-Looking Statements.”

Debt Profile

Secured Notes Due 2026

On October 31, 2019, we closed a private offering of $700,000 in aggregate principal amount of secured notes due 2026 bearing interest at 4.50% per annum. The secured notes due 2026 were issued by Camelot Finance S.A., an indirect wholly-owned subsidiary of Clarivate, are secured on a first-lien pari passu basis with borrowings under the credit facilities, and are guaranteed on a joint and several basis by certain of Clarivate’s subsidiaries. We used the net proceeds from the offering of secured notes due 2026, together with proceeds from the credit facilities discussed below to, among other things, redeem in full our secured notes due 2026, refinance all amounts terminating under the tax receivable agreement and under the prior credit facilities, fund in full the $200,000 payment pursuant to the agreement, and pay fees and expenses related to the foregoing.

The indenture governing the secured notes due 2026 contains covenants which, among other things, limit the incurrence of additional indebtedness (including acquired indebtedness), issuance of certain preferred stock, the payment of dividends, making restricted payments and investments, the purchase or acquisition or retirement for value of any equity interests, the provision of loans or advances to restricted subsidiaries, the sale or lease or transfer of any properties to any restricted subsidiaries, the transfer or sale of assets, and the creation of certain liens. As of the date of this annual report, we believe we were in compliance with the indenture covenants.

Credit Facilities

On October 31, 2019, we entered into a $900,000 term loan facility, which was fully drawn at closing, and a $250,000 revolving credit facility, which was undrawn at closing. The revolving credit facility matures on October 31, 2024 and the term loan facility matures on October 31, 2026. On February 28, 2020, we incurred an incremental $360,000 of term loans under our term loan facility and used the net proceeds from such borrowings to fund a portion of the cash consideration for the DRG acquisition.

Borrowings under the credit facilities bear interest at a floating rate which can be, at our option, either (i) a Eurocurrency rate plus an applicable margin or (ii) an alternate base rate (equal to the highest of (i) the rate which Bank of America, N.A. announces as its prime lending rate, (ii) the Federal Funds Effective Rate plus one-half of 1.00% and (iii) the Eurocurrency rate for an interest period of one month for loans denominated in dollars plus 1.00%) plus an applicable margin, in either case, subject to a Eurocurrency rate floor of 0.00%. Commencing March 31, 2020, the term loan facility will amortize in equal quarterly installments in an amount equal to 1.00% per annum of the original par principal amount thereof, with the remaining balance due at final maturity.
The credit facilities are secured by substantially all of our assets and the assets of all of our U.S. restricted subsidiaries and certain of our non-U.S. subsidiaries, including those that are or may be borrowers or guarantors under the credit facilities, subject to customary exceptions. The credit facilities contain customary events of default and restrictive covenants that limit us from, among other things, incurring certain additional indebtedness, issuing preferred stock, making certain restricted payments and investments, certain transfers or sales of assets, entering into certain affiliate transactions or incurring certain liens. These limitations are subject to customary baskets, including certain limitations on debt incurrence and issuance of preferred stock, subject to compliance with a consolidated coverage ratio of Consolidated EBITDA (as defined in the credit facilities), a measure substantially similar to our Standalone Adjusted EBITDA disclosed above under “— Required Reported Data — Standalone Adjusted EBITDA”, to interest and other fixed charges on certain debt (as defined in the credit facilities) greater than 2.00 to 1.00 or a total net leverage ratio (as defined in the credit facilities) not to exceed 6.50 to 1.00. In addition, the credit facilities require us to comply with a springing financial covenant pursuant to which, as of the first quarter of 2020, we must not exceed a first lien net leverage ratio (as defined under the credit facilities) of 7.25 to 1.00, to be tested on the last day of any quarter only when more than 35% of the revolving credit facility (excluding (i) non-cash collateralized, issued and undrawn letters of credit in an amount up to $20,000 and (ii) any cash collateralized letters of credit) is utilized at such date. As of December 31, 2019, our consolidated coverage ratio was 3.32 to 1.00 and our consolidated leverage ratio was 4.73 to 1.00. As of the date of this form 10-K, we are in compliance with the covenants in the credit facilities.

The credit facilities provide that, upon the occurrence of certain events of default, our obligations thereunder may be accelerated and the lending commitments terminated. Such events of default include payment defaults to the lenders, material inaccuracies of representations and warranties, covenant defaults, cross-defaults to other material indebtedness (including the secured notes due 2026), voluntary and involuntary bankruptcy proceedings, material money judgments, loss of perfection over a material portion of collateral, material ERISA/pension plan events, certain change of control events and other customary events of default, in each case subject to threshold, notice and grace period provisions.

**Commitments and Contingencies**

Our contingent liabilities consist primarily of letters of credit and performance bonds and other similar obligations in the ordinary course of business. Additionally, the Company has agreed to pay the former shareholders of acquired companies certain amounts in conjunction with the Publons, TradeMarkVision and Kopernio acquisitions. Regarding the Publons acquisition, the Company agreed to pay the former shareholders up to an additional $9,500 through 2020, of which $2,371 and $2,470 was paid in 2019 and 2018 respectively. Regarding the TradeMarkVision acquisition, the Company agreed to pay former shareholders earn-out payments through 2020. Regarding the Kopernio acquisition, the Company agreed to pay contingent consideration of up to $3,500 through 2021. Amounts payable are contingent upon Publons’, TrademarkVision’s and Kopernio’s achievement of certain milestones and performance metrics. As of December 31, 2019, the Company had an outstanding liability for Publons of $3,100 related to the estimated fair value of this contingent consideration, of which $3,100, was included in Accrued expenses and Other current liabilities. As of December 31, 2019, the Company had an outstanding liability for TradeMarkVision of $8,000 related to the estimated fair value of this contingent consideration, which compensation earn-out was included in Other non-current liabilities in the Consolidated Balance Sheets. As of December 31, 2019, the Company has recognized over the concurrent service period an outstanding liability for Kopernio of $992 related to the estimated fair value of this contingent compensation earn-out. The liability is included in Accrued expenses and other current liabilities in the Consolidated Balance Sheets.

In 2018, we wrote down our $33,819 tax indemnity asset, based on a dispute with the indemnitor which was later resolved by a confidential legal settlement.

**Off Balance Sheet Arrangements**

We do not currently have any off-balance sheet arrangements and do not have any holdings in variable interest entities.
**Contractual Obligations**

We have various contractual obligations and commercial commitments that are recorded as liabilities in our financial statements. Other items, such as purchase obligations and other executory contracts, are not recognized as liabilities in our consolidated financial statements, but are required to be disclosed.

In the table below, we set forth our significant enforceable and legally binding obligations and future commitments as of December 31, 2019.

<table>
<thead>
<tr>
<th>(in thousands)</th>
<th>Total</th>
<th>Less than 1 Year</th>
<th>1 to 3 Years</th>
<th>3 to 5 Years</th>
<th>More Than 5 Years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Long-term debt, including interest (1)</td>
<td>$2,266,405</td>
<td>$101,441</td>
<td>$170,046</td>
<td>$299,961</td>
<td>$1,694,957</td>
</tr>
<tr>
<td>Operating Leases (2)</td>
<td>103,162</td>
<td>21,178</td>
<td>33,232</td>
<td>23,292</td>
<td>25,460</td>
</tr>
<tr>
<td>Purchase Obligations (3)</td>
<td>48,076</td>
<td>37,332</td>
<td>10,744</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$2,417,643</td>
<td>$159,951</td>
<td>$214,022</td>
<td>$323,253</td>
<td>$1,720,417</td>
</tr>
</tbody>
</table>

(1) This amount also includes interest, which, for the floating rate portion of our debt has been calculated based on the applicable base rates (i.e., LIBOR) in effect as of December 31, 2019.

(2) Our operating lease obligations include future minimum lease payments under all our non-cancellable operating leases with an initial term in excess of one year. We adopted the new accounting standard for leases, ASC 842, on January 1, 2019, under which operating leases are to be recorded as balance sheet liabilities, with a corresponding right of use asset. See “Item 8. Financial Statements and Supplementary Data — Notes to the Consolidated Financial Statements — Note 3”

(3) Includes purchase obligations, primarily for cloud computing services and software licenses, pursuant to agreements to purchase goods and services that are enforceable, legally binding, and specify significant terms, including fixed or minimum quantities to be purchased, fixed minimum or variable pricing provisions, and the approximate timing of the transactions. Purchase orders made in the ordinary course of business are excluded from the above table. Any amounts for which we are liable are reflected in our Consolidated Balance Sheets as Accounts payable or Accrued expenses.

On August 21, 2019, Camelot entered into an agreement, terminating all future payment obligations of Camelot under the tax receivable agreement in exchange for a payment of $200,000, which Camelot paid on November 7, 2019 with a portion of the net proceeds from the Refinancing Transactions.

In addition, in connection with our merger with Churchill Capital Corp in 2019, Onex Partners Advisors LP, an affiliate of Onex, received a fee of $5,400 and BPEA, an affiliate of Baring, received a fee of $2,100 in the second quarter of 2019. See “Item 13. Certain Relationships and Related Person Transactions — Company Related Person Transactions — Consulting Services Agreements.”

**Critical Accounting Policies, Estimates and Assumptions**

The preparation of the consolidated financial statements in accordance with GAAP requires management to make judgments, estimates and assumptions that affect the amounts reported in the consolidated financial statements. On an ongoing basis, we evaluate estimates, which are based on historical experience and on various other assumptions that we believe to be reasonable under the circumstances. We consider the following accounting policies to be critical to understanding our financial statements because the application of these policies requires significant judgment on the part of management, which could have a material impact on our financial statements if actual performance should differ from historical experience or if our assumptions were to change. The following accounting policies include estimates that require management’s subjective or complex judgments about the effects of matters that are inherently uncertain. For information on our significant accounting policies, including the policies discussed below, see “Item 8. Financial Statements and Supplementary Data — Notes to the Consolidated Financial Statements — Note 3”

71
Revenue Recognition

We derive revenues from contracts with customers by selling information on a subscription and single transaction basis as well as performing professional services. Our subscription contract agreements contain standard terms and conditions, and most contracts include a one-year subscription, although we may provide a multi-year subscription in certain instances. In some cases, contracts provide for variable consideration that is contingent upon the occurrence of uncertain future events, such as retroactive discounts provided to the customers, indexed or volume based discounts, and revenues between contract expiration and renewal. We estimate the amount of the variable consideration at the expected value or at the most likely amount depending on the type of consideration. Estimated amounts are included in the transaction price to the extent it is probable that a significant reversal of cumulative revenues recognized will not occur when the uncertainty associated with the variable consideration is resolved. The estimate of variable consideration and determination of whether to include estimated amounts in the transaction price are based largely on an assessment of its anticipated performance and all information (historical, current and forecasted) that is reasonably available to us.

Most of our revenues are derived from subscription contract arrangements, which may contain multiple performance obligations. For these arrangements, the transaction price is allocated to the identified performance obligations based on their relative standalone selling prices. We utilize standard price lists, together with consideration of market conditions, customer demographics, and geographic location, to determine the standalone selling price for most of our products and services, however certain products may not have a standalone selling price that is directly observable, which requires judgment.

See “Item 8. Financial Statements and Supplementary Data — Notes to the Consolidated Financial Statements — Note 3” for further discussion.

Accounts Receivable

Accounts receivable are recorded at the amount invoiced to customers and do not bear interest. We maintain an allowance for doubtful accounts for losses resulting from the inability of specific customers to meet their financial obligations, representing our best estimate of probable credit losses in existing trade accounts receivable. A specific reserve for doubtful receivables is recorded against the amount due from these customers. For all other customers, we recognize reserves for doubtful receivables by evaluating factors such as the length of time receivables are past due, historical collection experience, and the economic and competitive environment. If any of these estimates change or actual results differ from expected results, then an adjustment is recorded in the period in which the amounts become reasonably estimable.

Business Combinations

In a business combination, substantially all identifiable assets, liabilities and contingent liabilities acquired are accounted for using the acquisition method at the acquisition date and are recorded at their respective fair values. One of the most significant estimates relates to the determination of the fair value of these assets and liabilities. The determination of the fair values is based on estimates and judgments made by management. Our estimates of fair value are based upon assumptions we believe to be reasonable, but which are inherently uncertain and unpredictable. Measurement period adjustments are reflected at the time identified, up through the conclusion of the measurement period, which is the time at which all information for determination of the values of assets acquired and liabilities assumed is received, and is not to exceed one year from the acquisition date.

Goodwill is measured at the acquisition date as the fair value of the consideration transferred (including, if applicable, the fair value of any previously held equity interest and any non-controlling interests) less the net recognized amount (which is generally the fair value) of the identifiable assets acquired and liabilities assumed.

When a business combination involves contingent consideration, we record a liability for the estimated cost of such contingencies when expenditures are probable and reasonably estimable. A significant amount of judgment is required to estimate and quantify the potential liability in these matters. We engage outside experts as deemed necessary or appropriate to assist in the calculation of the liability; however, management is responsible for evaluating the estimate. We reassess the estimated fair value of the contingent consideration each financial reporting period over the term of the arrangement. Any resulting changes identified subsequent to the measurement period are recognized in earnings and could have a material effect on our results of operations.
Other Identifiable Intangible Assets, net

Other identifiable intangible assets are recorded at fair value upon acquisition and are subsequently carried at cost less accumulated amortization or accumulated impairment for indefinite-lived intangible assets. Where applicable, other identifiable intangible assets are amortized over their estimated useful lives as follows:

<table>
<thead>
<tr>
<th>Other Identifiable Intangible Assets</th>
<th>Useful Life</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer relationships</td>
<td>2 – 14 years</td>
</tr>
<tr>
<td>Databases and content</td>
<td>13 – 20 years</td>
</tr>
<tr>
<td>Other</td>
<td>N/A</td>
</tr>
<tr>
<td>Finite-lived trade names</td>
<td>18 years</td>
</tr>
<tr>
<td>Indefinite-lived trade names</td>
<td>Indefinite</td>
</tr>
</tbody>
</table>

The carrying values of other identifiable intangible assets are reviewed for impairment whenever circumstances indicate that their carrying amounts may not be recoverable. The carrying values of indefinite-lived intangible assets are reviewed for impairment annually, or more frequently when circumstances indicate that impairment may have occurred. The test for impairment compares the carrying amounts to the fair value based on current revenues projections of the related operations, under the relief from royalty method. Any excess of the carrying value over the amount of fair value is recognized as an impairment. Any such impairment would be recognized in full in the reporting period in which it has been identified and could have a material adverse effect on our financial condition or results of operations.

Goodwill

We test goodwill annually for impairment in the fourth quarter, or more frequently when circumstances indicate that impairment may have occurred. Goodwill represents the purchase price in excess of the fair value of the net assets acquired in a business combination. If the carrying value of a reporting unit exceeds the implied fair value of that reporting unit, an impairment charge to goodwill is recognized for the excess. Our reporting units are one level below the operating segment, as determined in accordance with ASC 350, Intangibles — Goodwill and Other. For the years ended December 31, 2019 and 2018, we identified five reporting units.

We completed our most recent annual goodwill impairment testing during the fourth quarter of 2019. As a part of our assessment of each reporting unit’s estimated fair value and likelihood of impairment, we include both a quantitative and qualitative evaluation. In the testing, we assess various qualitative factors to determine whether the fair value of a reporting unit may be less than its carrying amount. If a determination is made that, based on the qualitative factors, an impairment does not exist, then we are not required to perform further testing. If the aforementioned qualitative assessment results in concluding that it is more likely than not that the fair value of a reporting unit may be less than its carrying amount, the fair value of the reporting unit will be determined and compared to its carrying value including goodwill. We estimate the fair value of our reporting units using the income approach. Under the income approach, we calculate the fair value of a reporting unit based on the present value of estimated cash flows. Cash flow projections are based on our estimates of revenues growth rates and operating margins. The discount rate is based on the weighted average cost of capital adjusted for the relevant risk associated with the characteristics of the business and projected cash flows.

Based on the results of the annual impairment test as of October 1, 2019, the fair values of our reporting units exceeded the individual reporting unit’s carrying value, and goodwill was not impaired.

Share-Based Compensation

Share-based compensation expense includes cost associated with stock options and restricted stock units (“RSUs”) granted to certain members of key management.
The stock option fair value is estimated at the date of grant using the Black-Scholes option pricing model, which requires management to make certain assumptions of future expectations based on historical and current data. The assumptions include the expected term of the stock option, expected volatility, dividend yield, and risk-free interest rate. The expected term represents the amount of time that options granted are expected to be outstanding, based on forecasted exercise behavior. The risk-free rate is based on the rate at grant date of zero-coupon U.S. Treasury Notes with a term comparable to the expected term of the option. Expected volatility is estimated based on the historical volatility of comparable public entities' stock price from the same industry. Our dividend yield is based on forecasted expected payments, which are expected to be zero for the immediate future. We recognize compensation expense over the vesting period of the award on a graded-scale basis, and we recognize forfeitures as they occur.

The stock-based compensation cost of time-based RSU grants is calculate by multiplying the grant date fair market value by the number of shares granted. We recognize compensation expense over the vesting period of the award on a graded-scale basis, and we recognize forfeitures as they occur.

**Derivative Financial Instruments**

We may use interest rate derivatives to manage risks generally associated with interest rate fluctuations. These derivative instruments are used as risk management tools and not for speculative or trading purposes.

We use interest rate derivatives with counterparties to reduce our exposure to variability in cash flows relating to interest payments on a portion of our outstanding term loan facility and revolver borrowings. We apply hedge accounting and have designated these instruments as cash flow hedges of the risk associated with floating interest rates on designated future quarterly interest payments. Management assumes the hedge is highly effective and therefore changes in the value of the hedging instrument are recorded in Accumulated other comprehensive income (loss) in the Consolidated Balance Sheets. Any ineffectiveness is recorded in earnings. Amounts in Accumulated other comprehensive income (loss) are reclassified into earnings in the same period during which the hedged transactions affect earnings, or upon termination of the hedging relationship.

**Fair Value of Financial Instruments**

We disclose and recognize the fair value of our assets and liabilities using a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). A financial instrument’s level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

The following valuation techniques are used to measure fair value for assets and liabilities:

- **Level 1** — Quoted market prices in active markets for identical assets or liabilities;
- **Level 2** — Significant other observable inputs (e.g., quoted prices for similar items in active markets, quoted prices for identical or similar items in markets that are not active, inputs other than quoted prices that are observable such as interest rate and yield curves, and market-corroborated inputs); and
- **Level 3** — Unobservable inputs for the asset or liability, which are valued based on management’s estimates of assumptions that market participants would use in pricing the asset or liability.

Movements in the fair value of financial instruments could have a material effect on the financial condition or results of operations.
**Taxation**

Certain items of income and expense are not recognized in our financial statements and income tax returns in the same year, which creates timing differences. These timing differences result in (1) deferred income tax liabilities that create an increase in future income taxes, and (2) deferred income tax assets that create a reduction in future income taxes. Recognition of deferred tax assets is based on management’s belief that it is more likely than not that the income tax benefit associated with certain temporary differences, income tax credits, capital loss carryforwards, and income tax operating loss, would be realized. We record a valuation allowance to reduce the deferred tax assets to equal an amount that is more likely than not to be realized. The amount of the valuation allowance is based on the assessment of future taxable income by tax jurisdiction and tax planning strategies. If the estimate of future taxable income or tax strategies changes at any time, we would record an adjustment to the valuation allowance. Such an adjustment could have a material effect on our financial condition or results of operations.

Changes in tax laws and tax rates could also affect recorded deferred tax assets and liabilities in the future. The calculation of our tax liabilities involves dealing with uncertainties in the application of complex tax laws and regulations in a multitude of jurisdictions across our global operations. ASC Topic 740, Income Taxes, states that a benefit from an uncertain tax position may be recognized when it is more likely than not that the position will be sustained upon examination, including resolutions of any related appeals or litigation processes, on the basis of the technical merits. We first record unrecognized tax benefits as liabilities in accordance with ASC 740 and then adjust these liabilities when changes are identified, as a result of the evaluation of new information not previously available at the time of establishing the liability. Because of the complexity of some of these uncertainties, the ultimate resolution may result in a payment that is materially different from the current estimate of the unrecognized tax benefit liabilities. These differences will be reflected as increases or decreases to income tax expense in the period in which new information is available and could have a material effect on the financial condition or results of operations.

Interest accrued related to unrecognized tax benefits and income tax related penalties are included in the provision for income taxes.

Deferred tax is provided on taxable temporary differences arising on investments in non-U.S. subsidiaries and equity method investees, except where we intend, and are able, to reinvest such amounts on a permanent basis.

**Tax Receivable Agreement**

In connection with our merger with Churchill Capital Corp, we entered into a tax receivable agreement with Onex, Baring and certain other pre-merger shareholders of the Company. The tax receivable agreement generally would have required us to pay the counterparties 85% of the amount of cash savings, if any, realized (or, in some cases, deemed to be realized) as a result of the utilization of certain tax assets. In August 2019, we entered into an agreement pursuant to which all of our future payment obligations under the tax receivable agreement would terminate in exchange for a payment of $200,000, which we made in November 2019. The settlement of the original tax receivable agreement liability was accounted for as an adjustment to Equity.

Prior to termination of the tax receivable agreement, there may have been significant changes to the estimate of our liability due to various reasons including changes in corporate tax law, changes in estimates of the amount or timing of future taxable income, and other items. Changes in those estimates would have been recognized as adjustments to the related liability, with offsetting impacts recorded in the statement of operations as Other operating income (expense), net.

**Pension and Other Post-Retirement Benefits**

We provide retirement benefits to certain employees, including defined benefit pension plans. The determination of benefit obligations and expense is based on actuarial models. In order to measure benefit costs and obligations using these models, critical assumptions are made with regard to the discount rate, expected return on assets, and the assumed rate of compensation increases. Other assumptions involve demographic factors such as turnover, retirement, and mortality rates. Changes in material assumptions could materially affect the amounts, particularly the long-term rate of return on plan assets and the rate used to discount the projected benefit obligation. Management reviews these assumptions periodically and updates them when its experience deems it appropriate to do so.
The discount rate is determined annually by management. For most international markets, the discount rate is based on the results of a modeling process in which the plans’ expected cash flows (based on the plans’ duration as of December 31, 2019 market conditions) is matched with the spot rate from a current yield curve of an index of high quality (Standard & Poor’s AA and above) corporate bonds to develop the present value of the expected cash flow, and then determine the discount rate. In India specifically, the discount rate is set based on the yields of the Indian Government bonds, appropriate to the duration of the plan liabilities. As a sensitivity measure, a 100-basis point increase in the discount rate for all of our plans, absent any other changes in assumptions, would result in a $2,300 decrease in the projected benefit obligation as of December 31, 2019. A 100-basis point decrease in the discount rate would result in a $1,800 increase in the projected benefit obligation as of December 31, 2019.

We sponsor only one specific plan, the Belgium plan, that has a plan asset. The plan asset has a rate of return guaranteed by the insurance company.

In selecting an expected return on our plan assets, we consider obtaining a rate that is consistent with the level of risk taken, and to target performance rates that meet the standard required by local regulations for our defined benefit plan. The actual return on plan assets will vary from year to year versus this assumption. We believe it is appropriate to use long-term expected forecasts in selecting the expected return on assets. As such, there can be no assurance that our actual return on plan assets will approximate the long-term expected forecasts. Our current strategy is to invest primarily in 100% insurance contracts, that do not have target asset allocation ranges, and a guarantee that the plan asset will always provide a minimum rate of return.

Recently Issued and Adopted Accounting Pronouncements

For recently issued and adopted accounting pronouncements, see “Item 8. Financial Statements and Supplementary Data — Notes to the Consolidated Financial Statements — Note 3.”

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

Market risk is the risk that changes in market prices, such as foreign currency exchange rates and interest rates, will affect our cash flows or the fair value of our holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters.

Foreign Currency Exchange Rate Risk

We are exposed to foreign currency exchange risk related to our transactions and our subsidiaries’ balances that are denominated in currencies other than the U.S. dollar, our functional currency. See “Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations — Factors Affecting the Comparability of Our Results of Operations-Effect of Currency Fluctuations” for more information about our foreign currency exchange rate exposure. In accordance with our treasury policy, we seek to naturally hedge our foreign exchange transaction exposure by matching the transaction currencies for our cash inflows and outflows. For example, where commercially feasible, we seek to borrow in the same currencies in which cash flows from operations are generated. In the past, we have used derivatives to hedge foreign currency exchange risk arising from receipts and payments denominated in foreign currencies on a limited basis, primarily in our IPM Product Line, which we divested in October 2018. We do not currently hedge our foreign exchange transaction or translation exposure, but may consider doing so in the future.
Revenues denominated in currencies other than U.S. dollars amounted to $185,894, or approximately 19.1%, of our total revenues for the year ended December 31, 2019. A significant majority of this amount was denominated in euro, British pounds and Japanese yen. A 5% increase or decrease in the value of the euro, British pound and Japanese yen relative to the U.S. dollar would have caused our revenues for the year ended December 31, 2019 to increase or decrease by $9,295.

**Interest Rate Risk**

Our interest rate risk arises primarily from our borrowings at floating interest rates. Borrowings under our credit facilities are subject to floating base interest rates, plus a margin. As of December 31, 2019, we had $965,000 of floating rate debt outstanding under our credit facilities, consisting of borrowings under the revolving and term loan facilities for which the base rate was one-month LIBOR (subject, with respect to the term loan facility only, to a floor of 0.00%), which stood at 1.76% at December 31, 2019. Of this amount, we hedged $340,610 of our principal amount of our floating rate debt under hedges using interest rate derivatives. As a result, $624,390 of our outstanding borrowings effectively bore interest at floating rates. A 100 basis point increase or decrease in the applicable base interest rate under our credit facilities would have an annual impact of $9,059 on our cash interest expense for the year ended December 31, 2019. For additional information on our outstanding debt and related hedging, see "Item 8. Financial Statements and Supplementary Data — Notes to the Consolidated Financial Statements — Note 11 and 14."

In April 2017, the Company entered into interest rate derivative arrangements with counterparties to reduce its exposure to variability in cash flows relating to interest payments on $300,000 of its term loan, effective April 30, 2021. Additionally, in May 2019, the Company entered into additional interest rate derivative arrangements with counterparties to reduce its exposure to variability in cash flows relating to interest payments on $50,000 of its term loan, effective March 2021 and maturing in September 2023. The Company will apply hedge accounting by designating the interest rate swaps as a hedge in applicable future quarterly interest payments.

It is not clear what impact, if any, the United Kingdom’s withdrawal from the European Union will have on the interest rate on our indebtedness and related derivative instruments. The United Kingdom withdrew from the European Union on January 31, 2020. Under the terms of the withdrawal agreement between the United Kingdom and the European Union, a transition period is in effect until December 31, 2020. During the transition period, the United Kingdom will be treated in all material respects as though it is a member of the European Union, with most EU laws applying to and in the United Kingdom. In addition, the United Kingdom will remain in the European Union single market and customs union and free movement of people will continue until the end of the transition period.

However, the terms of a future relationship between the United Kingdom and the European Union are not clear at this time. Therefore, there is a risk that if there is no agreement at the end of the transition period, or the agreement is detrimental to the United Kingdom, LIBOR could become an unauthorized “third country” benchmark for the purposes of the European Union Benchmarks Regulation, and neither European Union banks, nor their counter parties will be able to reference it.

In addition, in July 2017 the UK Financial Conduct Authority announced its intention to phase out LIBOR rates by the end of 2021. It is not possible to predict the effect of any changes in the methods by which LIBOR is determined, or any other reforms to LIBOR that may be enacted in the United Kingdom or elsewhere. Such developments may cause LIBOR to perform differently than in the past, including sudden or prolonged increases or decreases in LIBOR, or cease to exist, resulting in the application of a successor base rate under our credit facilities, which in turn could have unpredictable effects on our interest payment obligations under our credit facilities.

**Credit Risk**

We are not currently exposed to market instruments, except for the effective interest rate hedges discussed above. We are, however, exposed to credit risk on our accounts receivable, and we maintain an allowance for potential credit losses. As of December 31, 2019, no single customer accounted for more than 1% of our consolidated revenues. Further, given our subscription-based revenues model, where a significant portion of customer obligations are payable to us upfront, and our credit control procedures, we believe that our exposure to customer credit risk is currently limited.
## INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

<table>
<thead>
<tr>
<th>Description</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Report of Independent Registered Public Accounting Firm</td>
<td>79</td>
</tr>
<tr>
<td>Consolidated Balance Sheets as of December 31, 2019 and 2018</td>
<td>80</td>
</tr>
<tr>
<td>Consolidated Statements of Operations for the years ended December 31, 2019, 2018 and 2017</td>
<td>81</td>
</tr>
<tr>
<td>Consolidated Statements of Comprehensive Income (Loss) for the years ended December 31, 2019, 2018 and 2017</td>
<td>82</td>
</tr>
<tr>
<td>Consolidated Statements of Changes in Equity for the years ended December 31, 2019, 2018, and 2017</td>
<td>83</td>
</tr>
<tr>
<td>Consolidated Statements of Cash Flows for the years ended December 31, 2019, 2018 and 2017</td>
<td>84</td>
</tr>
<tr>
<td>Notes to the Consolidated Financial Statements</td>
<td>85</td>
</tr>
</tbody>
</table>
Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of
Clarivate Analytics Plc

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Clarivate Analytics Plc and its subsidiaries (the “Company”) as of December 31, 2019 and 2018, and the related consolidated statements of operations, of comprehensive income (loss), of changes in equity and of cash flows for each of the three years in the period ended December 31, 2019, including the related notes (collectively referred to as the “consolidated financial statements”). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2019 and 2018, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2019 in conformity with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As discussed in Note 3 to the consolidated financial statements, the Company changed the manner in which it accounts for leases in 2019.

Basis for Opinion

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

We conducted our audits of these consolidated financial statements in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ PricewaterhouseCoopers LLP
Philadelphia, Pennsylvania
March 2, 2020

We have served as the Company's auditor since 2016.
## CLARIVATE ANALYTICS PLC
### Consolidated Balance Sheets
(In thousands, except share data)

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

### Assets

<table>
<thead>
<tr>
<th>Current assets:</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>$76,130</td>
<td>$25,575</td>
</tr>
<tr>
<td>Restricted cash</td>
<td>9</td>
<td>9</td>
</tr>
<tr>
<td>Accounts receivable, net of allowance for doubtful accounts of $16,511 and $14,076 at December 31, 2019 and December 31, 2018, respectively</td>
<td>333,858</td>
<td>331,295</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>40,710</td>
<td>31,021</td>
</tr>
<tr>
<td>Other current assets</td>
<td>11,750</td>
<td>20,712</td>
</tr>
<tr>
<td>Assets held for sale</td>
<td>30,619</td>
<td>—</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td><strong>493,076</strong></td>
<td><strong>408,612</strong></td>
</tr>
<tr>
<td>Computer hardware and other property, net</td>
<td>18,042</td>
<td>20,641</td>
</tr>
<tr>
<td>Other intangible assets, net</td>
<td>1,828,640</td>
<td>1,958,520</td>
</tr>
<tr>
<td>Goodwill</td>
<td>1,328,045</td>
<td>1,282,919</td>
</tr>
<tr>
<td>Other non-current assets</td>
<td>18,632</td>
<td>26,556</td>
</tr>
<tr>
<td>Deferred income taxes</td>
<td>19,488</td>
<td>12,426</td>
</tr>
<tr>
<td>Operating lease right-of-use assets</td>
<td>85,448</td>
<td>—</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td><strong>$3,791,371</strong></td>
<td><strong>$3,709,674</strong></td>
</tr>
</tbody>
</table>

### Liabilities and Shareholders’ Equity

<table>
<thead>
<tr>
<th>Current liabilities:</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts payable</td>
<td>$26,458</td>
<td>$38,418</td>
</tr>
<tr>
<td>Accrued expenses and other current liabilities</td>
<td>159,217</td>
<td>153,849</td>
</tr>
<tr>
<td>Current portion of deferred revenues</td>
<td>407,325</td>
<td>391,102</td>
</tr>
<tr>
<td>Current portion of operating lease liability</td>
<td>22,130</td>
<td>—</td>
</tr>
<tr>
<td>Current portion of long-term debt</td>
<td>9,000</td>
<td>60,345</td>
</tr>
<tr>
<td>Liabilities held for sale</td>
<td>26,868</td>
<td>—</td>
</tr>
<tr>
<td><strong>Total current liabilities</strong></td>
<td><strong>650,998</strong></td>
<td><strong>643,714</strong></td>
</tr>
<tr>
<td>Long-term debt</td>
<td>1,628,611</td>
<td>1,930,177</td>
</tr>
<tr>
<td>Non-current portion of deferred revenues</td>
<td>19,723</td>
<td>17,112</td>
</tr>
<tr>
<td>Other non-current liabilities</td>
<td>18,891</td>
<td>24,838</td>
</tr>
<tr>
<td>Deferred income taxes</td>
<td>48,547</td>
<td>43,226</td>
</tr>
<tr>
<td>Operating lease liabilities</td>
<td>64,189</td>
<td>—</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td><strong>2,430,959</strong></td>
<td><strong>2,659,067</strong></td>
</tr>
</tbody>
</table>

| Commitments and contingencies                       |             |              |
| Shareholders’ equity:                               |             |              |
| Ordinary Shares, no par value; unlimited shares authorized at December 31, 2019 and December 31, 2018; 306,874,115 and 217,526,425 shares issued and outstanding at December 31, 2019 and December 31, 2018, respectively; | 2,208,529    | 1,677,510    |
| Accumulated other comprehensive income (loss)       | (4,879)      | 5,358        |
| Accumulated deficit                                | (643,238)    | (632,261)    |
| **Total shareholders’ equity**                      | **1,360,412** | **1,050,607** |

| **Total Liabilities and Shareholders’ Equity**       | **$3,791,371** | **$3,709,674** |

The accompanying notes are an integral part of these financial statements.
Revenues, net  

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$974,345</td>
<td>$968,468</td>
<td>$917,634</td>
</tr>
</tbody>
</table>

Operating costs and expenses:

<table>
<thead>
<tr>
<th>Operating costs and expenses</th>
<th>2019</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost of revenues, excluding depreciation and amortization</td>
<td>(346,503)</td>
<td>(396,499)</td>
<td>(394,215)</td>
</tr>
<tr>
<td>Selling, general and administrative costs, excluding depreciation and amortization</td>
<td>(368,675)</td>
<td>(369,377)</td>
<td>(343,143)</td>
</tr>
<tr>
<td>Share-based compensation expense</td>
<td>(51,383)</td>
<td>(13,715)</td>
<td>(17,663)</td>
</tr>
<tr>
<td>Depreciation</td>
<td>(9,181)</td>
<td>(9,422)</td>
<td>(6,997)</td>
</tr>
<tr>
<td>Amortization</td>
<td>(191,361)</td>
<td>(227,803)</td>
<td>(221,466)</td>
</tr>
<tr>
<td>Impairment on assets held for sale</td>
<td>(18,431)</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Transaction expenses</td>
<td>(46,214)</td>
<td>(2,457)</td>
<td>(2,245)</td>
</tr>
<tr>
<td>Transition, integration and other related expenses</td>
<td>(14,239)</td>
<td>(61,282)</td>
<td>(78,695)</td>
</tr>
<tr>
<td>Restructuring</td>
<td>(15,670)</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Legal settlement</td>
<td>39,399</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Other operating income (expense), net</td>
<td>4,826</td>
<td>6,379</td>
<td>(237)</td>
</tr>
<tr>
<td>Total operating expenses</td>
<td>(1,017,432)</td>
<td>(1,074,176)</td>
<td>(1,064,661)</td>
</tr>
</tbody>
</table>

Loss from operations  

<table>
<thead>
<tr>
<th>Year ended December 31.</th>
<th>2019</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loss from operations</td>
<td>(43,087)</td>
<td>(105,708)</td>
<td>(147,027)</td>
</tr>
<tr>
<td>Interest expense, net</td>
<td>(157,689)</td>
<td>(130,805)</td>
<td>(138,196)</td>
</tr>
<tr>
<td>Loss before income tax</td>
<td>(200,776)</td>
<td>(236,513)</td>
<td>(285,225)</td>
</tr>
<tr>
<td>Benefit (provision) for income taxes</td>
<td>(10,201)</td>
<td>(5,649)</td>
<td>21,293</td>
</tr>
</tbody>
</table>

Net loss  

<table>
<thead>
<tr>
<th>Year ended December 31.</th>
<th>2019</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net loss</td>
<td>$(210,977)</td>
<td>$(242,162)</td>
<td>$(263,930)</td>
</tr>
</tbody>
</table>

Per share:  

<table>
<thead>
<tr>
<th>Year ended December 31.</th>
<th>Basic and diluted</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$(0.77)</td>
</tr>
</tbody>
</table>

Weighted average shares used to compute earnings per share:  

<table>
<thead>
<tr>
<th>Year ended December 31.</th>
<th>Basic and diluted</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>273,883,342</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of these financial statements.
# Consolidated Statements of Comprehensive Income (Loss)

(In thousands)

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

<table>
<thead>
<tr>
<th>Year ended December 31,</th>
<th>2019</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net loss</td>
<td>$(210,977)</td>
<td>$(242,162)</td>
<td>$(263,930)</td>
</tr>
<tr>
<td>Other comprehensive income (loss), net of tax:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest rate swaps, net of $0 tax in all periods</td>
<td>(6,422)</td>
<td>2,537</td>
<td>1,107</td>
</tr>
<tr>
<td>Defined benefit pension plans, net of tax (benefit) provision of $683, ($91), and $430, respectively</td>
<td>(1,041)</td>
<td>(17)</td>
<td>881</td>
</tr>
<tr>
<td>Foreign currency translation adjustment</td>
<td>(2,774)</td>
<td>(11,146)</td>
<td>15,466</td>
</tr>
<tr>
<td>Total other comprehensive income (loss)</td>
<td>(10,237)</td>
<td>(8,626)</td>
<td>17,454</td>
</tr>
<tr>
<td>Comprehensive loss</td>
<td>$(221,214)</td>
<td>$(250,788)</td>
<td>$(246,476)</td>
</tr>
</tbody>
</table>

*The accompanying notes are an integral part of these financial statements.*
<table>
<thead>
<tr>
<th>Shares Capital</th>
<th>Accumulated Other Comprehensive Income (Loss)</th>
<th>Accumulated Deficit</th>
<th>Total Shareholders’ Equity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shares</td>
<td>Amount</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Share Capital</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance at December 31, 2016 as originally reported</td>
<td>1,635,000</td>
<td>$1,635,000</td>
<td>$(3,470)</td>
</tr>
<tr>
<td>Conversion of units of share capital</td>
<td>214,408,455</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Balance at December 31, 2016, as recasted</td>
<td>216,043,455</td>
<td>1,635,000</td>
<td>$(3,470)</td>
</tr>
<tr>
<td>Issuance of common stock, net</td>
<td>1,284,368</td>
<td>9,558</td>
<td>—</td>
</tr>
<tr>
<td>Share-based compensation</td>
<td>—</td>
<td>17,663</td>
<td>—</td>
</tr>
<tr>
<td>Net loss</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Comprehensive income</td>
<td>—</td>
<td>—</td>
<td>17,454</td>
</tr>
<tr>
<td>Balance at December 31, 2017</td>
<td>217,327,823</td>
<td>$1,662,221</td>
<td>$13,984</td>
</tr>
<tr>
<td>Balance at December 31, 2017, as originally reported</td>
<td>1,644,720</td>
<td>$1,662,221</td>
<td>$13,984</td>
</tr>
<tr>
<td>Conversion of units of share capital</td>
<td>215,683,103</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Balance at December 31, 2017, as recasted</td>
<td>217,327,823</td>
<td>1,662,221</td>
<td>$13,984</td>
</tr>
<tr>
<td>Issuance of common stock, net</td>
<td>198,602</td>
<td>13,715</td>
<td>—</td>
</tr>
<tr>
<td>Share-based compensation</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Comprehensive (loss)</td>
<td>—</td>
<td>—</td>
<td>(8,626)</td>
</tr>
<tr>
<td>Balance at December 31, 2018</td>
<td>217,526,425</td>
<td>$1,677,510</td>
<td>$5,358</td>
</tr>
<tr>
<td>Balance at December 31, 2018, as originally reported</td>
<td>1,646,223</td>
<td>$1,677,510</td>
<td>$5,358</td>
</tr>
<tr>
<td>Conversion of units of share capital</td>
<td>215,880,202</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Balance at December 31, 2018, as recasted</td>
<td>217,526,425</td>
<td>1,677,510</td>
<td>$5,358</td>
</tr>
<tr>
<td>Tax Receivable Agreement</td>
<td>—</td>
<td>(264,000)</td>
<td>—</td>
</tr>
<tr>
<td>Settlement of Tax Receivable Agreement</td>
<td>—</td>
<td>64,000</td>
<td>—</td>
</tr>
<tr>
<td>Issuance of common stock, net</td>
<td>1,597,691</td>
<td>678,054</td>
<td>—</td>
</tr>
<tr>
<td>Share-based compensation</td>
<td>—</td>
<td>51,383</td>
<td>—</td>
</tr>
<tr>
<td>Net loss</td>
<td>—</td>
<td>—</td>
<td>(210,977)</td>
</tr>
<tr>
<td>Comprehensive (loss)</td>
<td>—</td>
<td>—</td>
<td>(10,237)</td>
</tr>
<tr>
<td>Balance at December 31, 2019</td>
<td>306,874,115</td>
<td>$2,208,529</td>
<td>$(4,879)</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of these financial statements.
## CLARIVATE ANALYTICS PLC
### Consolidated Statements of Cash Flows

(In thousands)

<table>
<thead>
<tr>
<th>Year ended December 31,</th>
<th>2019</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash Flows From Operating Activities</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net loss</td>
<td>$(210,977)</td>
<td>$(242,162)</td>
<td>$(263,930)</td>
</tr>
<tr>
<td>Adjustments to reconcile net loss to net cash provided by operating activities:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>200,542</td>
<td>237,225</td>
<td>228,463</td>
</tr>
<tr>
<td>Bad debt expense</td>
<td>1,331</td>
<td>6,507</td>
<td>6,055</td>
</tr>
<tr>
<td>Deferred income tax benefit</td>
<td>357</td>
<td>(14,103)</td>
<td>(36,272)</td>
</tr>
<tr>
<td>Share-based compensation</td>
<td>51,383</td>
<td>13,715</td>
<td>17,663</td>
</tr>
<tr>
<td>Loss on extinguishment of debt</td>
<td>50,676</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Gain on sale of line of business</td>
<td>—</td>
<td>(39,104)</td>
<td>—</td>
</tr>
<tr>
<td>Impairment on assets held for sale</td>
<td>18,431</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Deferred finance charges</td>
<td>2,496</td>
<td>9,182</td>
<td>23,510</td>
</tr>
<tr>
<td>Tax indemnity write-off</td>
<td>—</td>
<td>33,819</td>
<td>—</td>
</tr>
<tr>
<td>Other operating activities</td>
<td>(374)</td>
<td>(3,979)</td>
<td>2,548</td>
</tr>
<tr>
<td><strong>Changes in operating assets and liabilities:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>(593)</td>
<td>(50,906)</td>
<td>43,109</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>(10,224)</td>
<td>(2,936)</td>
<td>(4,052)</td>
</tr>
<tr>
<td>Other assets</td>
<td>(975)</td>
<td>578</td>
<td>10,799</td>
</tr>
<tr>
<td>Accounts payable</td>
<td>(13,838)</td>
<td>(18,091)</td>
<td>(39,660)</td>
</tr>
<tr>
<td>Accrued expenses and other current liabilities</td>
<td>1,095</td>
<td>9,842</td>
<td>(6,038)</td>
</tr>
<tr>
<td>Deferred revenues</td>
<td>33,480</td>
<td>33,539</td>
<td>18,751</td>
</tr>
<tr>
<td>Operating lease right of use assets</td>
<td>11,365</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Operating lease liabilities</td>
<td>(11,251)</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>(5,344)</td>
<td>774</td>
<td>5,271</td>
</tr>
<tr>
<td><strong>Net cash (used in) provided by operating activities</strong></td>
<td>117,580</td>
<td>(26,100)</td>
<td>6,667</td>
</tr>
<tr>
<td><strong>Cash Flows From Investing Activities</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital expenditures</td>
<td>(69,836)</td>
<td>(45,410)</td>
<td>(37,804)</td>
</tr>
<tr>
<td>Acquisitions, net of cash acquired</td>
<td>(68,424)</td>
<td>(23,539)</td>
<td>(7,401)</td>
</tr>
<tr>
<td>Acquisition of intangibles</td>
<td>(2,625)</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Proceeds from sale of product line, net of restricted cash</td>
<td>—</td>
<td>80,883</td>
<td>5,000</td>
</tr>
<tr>
<td><strong>Net cash (used in) provided by investing activities</strong></td>
<td>(140,885)</td>
<td>11,934</td>
<td>(40,205)</td>
</tr>
<tr>
<td><strong>Cash Flows From Financing Activities</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proceeds from revolving credit facility</td>
<td>70,000</td>
<td>45,000</td>
<td>30,000</td>
</tr>
<tr>
<td>Principal payments on term loan</td>
<td>(641,509)</td>
<td>(46,709)</td>
<td>(15,423)</td>
</tr>
<tr>
<td>Repayments of revolving credit facility</td>
<td>(50,000)</td>
<td>(30,000)</td>
<td>—</td>
</tr>
<tr>
<td>Payment of debt issuance costs</td>
<td>(41,923)</td>
<td>—</td>
<td>(817)</td>
</tr>
<tr>
<td>Contingent purchase price payment</td>
<td>(2,371)</td>
<td>(2,470)</td>
<td>—</td>
</tr>
<tr>
<td>Proceeds from reverse recapitalization</td>
<td>682,087</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Proceeds from issuance of debt</td>
<td>1,600,000</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Extinguishment of debt</td>
<td>(1,342,651)</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Tax receivable agreement payout</td>
<td>(200,000)</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Proceeds from the exercise of warrants and employee share options</td>
<td>1,582</td>
<td>1,574</td>
<td>9,058</td>
</tr>
<tr>
<td><strong>Net cash (used in) provided by financing activities</strong></td>
<td>75,215</td>
<td>(32,605)</td>
<td>22,818</td>
</tr>
<tr>
<td><strong>Effects of exchange rates</strong></td>
<td>(971)</td>
<td>(5,193)</td>
<td>3,248</td>
</tr>
<tr>
<td><strong>Net increase (decrease) in cash and cash equivalents, and restricted cash</strong></td>
<td>50,939</td>
<td>(51,964)</td>
<td>(7,472)</td>
</tr>
</tbody>
</table>

### Beginning of period:
- **Cash and cash equivalents**: 25,575
- **Restricted cash**: 9
- **Total cash and cash equivalents, and restricted cash**: 25,584

### Less: Cash included in assets held for sale, end of period:
- **Total cash and cash equivalents, and restricted cash, beginning of period**: 77,548
- **Cash and cash equivalents, and restricted cash, beginning of period**: 77,548

### End of period:
- **Cash and cash equivalents**: 76,139
- **Restricted cash**: 9
- **Total cash and cash equivalents, and restricted cash, end of period**: 76,139

### Supplemental Cash Flow Information
- **Cash paid for interest** | $101,164 | $121,916 | $115,236 |
- **Cash paid for income tax** | $29,204 | $13,210 | $14,722 |
- **Capital expenditures included in accounts payable** | $8,762 | $5,166 | $2,473 |
- **Assets received as reverse recapitalization capital** | $1,582 | — | — |
The accompanying notes are an integral part of these financial statements.
Note 1: Background and Nature of Operations

Clarivate Analytics Plc ("Clarivate," “us,” “we,” “our,” or the “Company”), a public limited company organized under the laws of Jersey, Channel Islands, was incorporated as a Jersey limited company on January 7, 2019. Pursuant to the definitive agreement entered into to effect a merger between Camelot Holdings (Jersey) Limited ("Jersey") and Churchill Capital Corp, a Delaware corporation, ("Churchill") (the “2019 Transaction”), the Company was formed for the purposes of completing the 2019 Transaction and related transitions and carrying on the business of Jersey, and its subsidiaries.

The Company is a provider of proprietary and comprehensive content, analytics, professional services and workflow solutions that enables users across government and academic institutions, life science companies and research and development ("R&D") intensive corporations to discover, protect and commercialize their innovations. Our Science Product Group consists of our Web of Science and Life Science Product Lines. Both Product Lines provide curated, high-value, structured information that is delivered and embedded into the workflows of our customers, which include research intensive corporations, life science organizations and universities world-wide. Our Intellectual Property ("IP") Product Group consists of our Derwent, CompuMark and MarkMonitor Product Lines. These Product Lines help manage customer’s end-to-end portfolio of intellectual property from patents to trademarks to corporate website domains.

In January 2019, we entered into an Agreement and Plan of Merger (as amended by Amendment No. 1 to the Agreement and Plan of Merger, dated February 26, 2019, and Amendment No. 2 to the Agreement and Plan of Merger, dated March 29, 2019, collectively, the “Merger Agreement”) by and among Churchill, Jersey, CCC Merger Sub, Inc., a Delaware corporation and wholly owned subsidiary of Clarivate ("Delaware Merger Sub"), Camelot Merger Sub (Jersey) Limited, a private limited company organized under the laws of Jersey, Channel Islands and wholly owned subsidiary of Clarivate ("Jersey Merger Sub"), and the Company, which, among other things, provided for (i) Jersey Merger Sub to be merged with and into Jersey with the Jersey being the surviving company in the merger (the "Jersey Merger") and (ii) Delaware Merger Sub to be merged with and into Churchill with Churchill being the surviving corporation in the merger (the “Delaware Merger”), and together with the Jersey Merger, the “Mergers”.

On May 13, 2019, the 2019 Transaction was consummated, and Clarivate became the sole managing member of Jersey, operating and controlling all of the business and affairs of Jersey, through Jersey and its subsidiaries. Following the consummation of the 2019 Transaction on May 13, 2019, the Company’s ordinary shares and warrants began trading on the New York Stock Exchange. See Note 4 – "Business Combinations" for more information.

The 2019 Transaction was accounted for as a reverse recapitalization in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"). Under this method of accounting Churchill was treated as the “acquired” company for financial reporting purposes. This determination was primarily based on post 2019 Transaction relative voting rights, composition of the governing board, size of the two entities pre-merger, and intent of the 2019 Transaction. Accordingly, for accounting purposes, the 2019 Transaction was treated as the equivalent of the Company issuing stock for the net assets of Churchill. The net assets of Churchill, were stated at historical cost, with no goodwill or other intangible assets resulting from the 2019 Transaction. Reported amounts from operations included herein prior to the 2019 Transaction are those of Jersey.

On September 10, 2019 and December 9, 2019 the Company issued a public offering of 39,675,000 and 49,680,000 ordinary shares, respectively, (the “Secondary Offerings”) by affiliated funds of Onex Corporation and Baring Private Equity Asia Limited (“BPEA”), together with certain other shareholders, at $16.00 and $17.25, respectively, per share. The Company did not receive any of the proceeds from the sale of its ordinary shares by the selling shareholders.

Jersey was formed on August 4, 2016 as a private limited liability company organized under the laws of the Island of Jersey. Its registered office is located at 4th Floor, St Paul’s Gate, 22-24 New Street, St Helier, Jersey JE1 4TR.
On July 10, 2016, Camelot UK Bidco Limited, a private limited liability company incorporated under the laws of England and Wales, and a direct wholly
owned subsidiary of Camelot UK Holdco Limited, a direct wholly owned subsidiary (“UK Holdco”), collectively referred to as (“Bidco”), entered into a
separation agreement to acquire (i) certain assets and liabilities related to the Intellectual Property & Science business (“IP&S”) business from our
Thomson Reuters Corporation (“Former Parent”) and (ii) all of the equity interests and substantially all of the assets and liabilities of certain entities
engaged in the IP&S business together with their subsidiaries (“2016 Transaction”). The 2016 Transaction total consideration was $3,566,599, net of
cash acquired. Jersey is owned by affiliates of Onex Corporation and private investment funds managed by BPEA and certain co-investors.

Note 2: Basis of Presentation

The accompanying Consolidated Financial Statements for the years ended December 31, 2019, 2018 and 2017, respectively, were prepared in conformity
with U.S. GAAP. The Consolidated Financial Statements of the Company include the accounts of all of its subsidiaries. Subsidiaries are entities over
which the Company has control, where control is defined as the power to govern financial and operating policies. Generally, the Company has a
shareholding of more than 50% of the voting rights in its subsidiaries. The effect of potential voting rights that are currently exercisable are considered
when assessing whether control exists. Subsidiaries are fully consolidated from the date control is transferred to the Company, and are de-consolidated
from the date control ceases. The U.S. dollar is the Company’s reporting currency. As such, the financial statements are reported on a U.S. dollar basis.

Note 3: Summary of Significant Accounting Policies

Business Combinations

The Company determines whether substantially all the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of
similar identifiable assets. If this threshold is met, the set is not a business. If it is not met, the Company then evaluates whether the set meets the
requirement that a business include, at a minimum, an input and as substantive process that together significantly contribute to the ability to create
outputs.

Business combinations are accounted for using the acquisition method at the acquisition date, which is when control is obtained. The consideration
transferred is generally measured at fair value, as are the identifiable assets acquired and liabilities assumed. During the one-year period following the
acquisition date, if an adjustment is identified based on new information about facts and circumstances that existed as of the acquisition date, the
Company will record measurement-period adjustments related to the acquisitions in the period in which the adjustment is identified.

Goodwill is measured at the acquisition date as the fair value of the consideration transferred (including, if applicable, the fair value of any previously
held equity interest and any non-controlling interests) less the net recognized amount (which is generally the fair value) of the identifiable assets
acquired and liabilities assumed.

Transaction costs, other than those associated with the issuance of debt or equity securities incurred in connection with a business combination, are
expensed as incurred and included in Transaction expenses in the Consolidated Statements of Operations.

Principles of Consolidation

The accompanying Consolidated Financial Statements include the accounts and operations of the Company, and its subsidiaries. Intercompany
accounts and transactions have been eliminated in consolidation.
Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts in the Consolidated Financial Statements and accompanying notes. Actual results could differ from those estimates. The most important of these relate to share-based compensation expenses, revenue recognition, the allowance for doubtful accounts, internally developed computer software, valuation of goodwill and other identifiable intangible assets, determination of the projected benefit obligations of the defined benefit plans, income taxes, fair value of stock options, derivatives and financial instruments, contingent earn-out, and the tax related valuation allowances. On an ongoing basis, management evaluates these estimates, assumptions and judgments, in reference to historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Cash and Cash Equivalents

Cash and cash equivalents is comprised of cash on hand and short-term deposits with an original maturity at the date of purchase of three months or less.

Restricted Cash

As of December 31, 2019 and 2018, the Company held $9 of restricted cash primarily related to funds from the Company’s Publons transaction.

Accounts Receivable

Accounts receivable are presented net of the allowance for doubtful accounts and any discounts. Accounts receivable are recorded at the invoiced amount and do not bear interest. Collections of accounts receivable are included in cash provided by operating activities in the Consolidated Statements of Cash Flows. The Company maintains an allowance for doubtful accounts for estimated losses and assesses its adequacy each reporting period by evaluating factors such as the length of time receivables are past due, historical collection experience, and the economic and competitive environment. The expense related to doubtful accounts is included within Selling, general and administrative costs, excluding depreciation and amortization in the Consolidated Statements of Operations. Account balances are written off against the allowance when the potential for recovery is considered remote. The Company does not have any off-balance sheet credit exposure related to its customers.

Concentration of Credit Risk

Accounts receivable are the primary financial instrument that potentially subjects the Company to significant concentrations of credit risk. Accounts receivable represents arrangements in which services were transferred to a customer before the customer pays consideration or before payment is due. Contracts with payment in arrears are recognized as receivables after the Company considers whether a significant financing component exists. The Company does not require collateral or other securities to support customer receivables. Management performs ongoing credit evaluations of its customers’ financial condition and limits the amount of credit extended when deemed appropriate. Credit losses have been immaterial and reasonable within management’s expectations. No single customer accounted for more than 1% of revenues and our ten largest customers represented only 5% of revenues for the year ended December 31, 2019.

The Company maintains its cash and cash equivalent balances with high-quality financial institutions and consequently, the Company believes that such funds are subject to minimal credit risk.

Prepaid Expenses

Prepaid expenses represent amounts that the Company has paid in advance of receiving benefits or services. Prepaid expenses include amounts for system and service contracts, sales commissions, deposits, prepaid royalties and insurance and are recognized as an expense over the general contractual period that the Company expects to benefit from the underlying asset or service.
Notes to the Consolidated Financial Statements
(In thousands, except share and per share data, option prices, ratios or as noted)

**Computer Hardware and Other Property, net**

Generally, computer hardware and other property are recorded at cost and are depreciated over the respective estimated useful lives. Upon the 2016 Transaction, computer hardware and other property were revalued and recorded at net book value, which approximated fair value at the 2016 Transaction.

Depreciation is computed using the straight-line method. Repair and maintenance costs are expensed as incurred. The cost and related accumulated depreciation of sold or retired assets are removed from the accounts and any gain or loss is included within Loss from operations in the Consolidated Statements of Operations.

The estimated useful lives are as follows:

<table>
<thead>
<tr>
<th>Asset Type</th>
<th>Useful Life</th>
</tr>
</thead>
<tbody>
<tr>
<td>Computer hardware</td>
<td>3 years</td>
</tr>
<tr>
<td>Furniture, fixtures and equipment</td>
<td>5-7 years</td>
</tr>
<tr>
<td>Leasehold improvements</td>
<td>Lesser of lease term or estimated useful life</td>
</tr>
</tbody>
</table>

**Computer Software**

Development costs related to internally generated software are capitalized once a project has progressed beyond a conceptual, preliminary stage to that of the application development stage. Costs of significant improvements on existing software for internal use, both internally developed and purchased, are also capitalized. Costs related to the preliminary project stage, data conversion and post-implementation/operation stage of an internal use software development project are expensed as incurred.

Capitalized costs are amortized over five years, which is the estimated useful life of the related software. Purchased software is amortized over three years, which is the estimated useful life of the related software. The capitalized amounts, net of accumulated amortization, are included in Other intangible assets, net in the Consolidated Balance Sheets. The cost and related accumulated amortization of sold or retired assets are removed from the accounts and any gain or loss is included within Loss from operations in the Consolidated Statements of Operations.

Computer software is evaluated for impairment whenever circumstances indicate the carrying amount may not be recoverable. The test for impairment compares the carrying amounts with the sum of undiscounted cash flows related to the asset. If the carrying value is greater than the undiscounted cash flows of the asset, the asset is written down to its estimated fair value.

**Identifiable Intangible Assets, net**

Upon acquisition, identifiable intangible assets are recorded at fair value and are carried at cost less accumulated amortization or accumulated impairment for indefinite-lived intangible assets. Useful lives are reviewed at the end of each reporting period and adjusted if appropriate. Fully amortized assets are retained at cost and accumulated amortization accounts until such assets are derecognized.

Customer Relationships — Customer relationships primarily consist of customer contracts and customer relationships arising from such contracts.

Databases and Content — Databases and content primarily consists of repositories of the Company’s specific financial and customer information and intellectual content.

Trade Names — Trade names consist of purchased brand names that the Company continues to use.
Where applicable, intangible assets are amortized on a straight-line basis over their estimated useful lives as follows:

<table>
<thead>
<tr>
<th>Intangible Asset Type</th>
<th>Useful Life</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer relationships</td>
<td>2 – 14 years</td>
</tr>
<tr>
<td>Databases and content</td>
<td>13 – 20 years</td>
</tr>
<tr>
<td>Finite-lived trade names</td>
<td>18 years</td>
</tr>
<tr>
<td>Indefinite-lived trade names</td>
<td>Indefinite</td>
</tr>
</tbody>
</table>

**Impairment of Long-Lived Assets**

Residual values and useful lives are reviewed at the end of each reporting period and adjusted if appropriate. The Company evaluates its long-lived assets, including computer hardware and other property, computer software, and finite-lived intangible assets for impairment whenever circumstances indicate that their carrying amounts may not be recoverable. Recoverability of these assets is measured by comparison of the carrying amount of each asset to the future undiscounted cash flows the asset is expected to generate over its remaining life. An asset is assessed for impairment at the lowest level that the asset generates cash inflows that are largely independent of cash inflows from other assets. If the asset is considered to be impaired, the amount of any impairment is measured as the difference between the carrying value and the fair value of the impaired asset.

Management identified an impairment loss in connection with the divestiture of certain assets and liabilities of its MarkMonitor Product Line within its IP Group in the year ended December 31, 2019. Management determined that additional impairment did not exist for any of the periods presented.

**Goodwill and Indefinite-Lived Intangible Assets**

The Company evaluates its goodwill for impairment at the reporting unit level, defined as an operating segment or one level below an operating segment, annually as of October 1 or more frequently if impairment indicators arise in accordance with Accounting Standards Codification (“ASC”) Topic 350. The Company identified five reporting units due to a change in the Company’s reporting structure for the years ended December 31, 2019 and 2018 and one reporting unit for the year ended December 31, 2017.

The Company evaluates the recoverability of goodwill at the reporting unit level. The Company assesses various qualitative factors to determine whether the fair value of a reporting unit may be less than its carrying amount. If a determination is made that, based on the qualitative factors, an impairment does not exist, the Company is not required to perform further testing. If the aforementioned qualitative assessment results in the Company concluding that it is more likely than not that the fair value of a reporting unit may be less than its carrying amount, the fair value of the reporting unit will be determined and compared to its carrying value including goodwill.

In determining the fair value of a reporting unit, the Company estimates the fair value of a reporting unit using the fair value derived from the income approach. The market approach estimates fair value based on market multiples of revenue and earnings derived from comparable publicly traded companies with similar operating and investment characteristics as the reporting unit; whereas, the income approach uses a discounted cash flow (“DCF”) model. The DCF model determines the fair value of our reporting units based on projected future discounted cash flows, which in turn were based on our views of uncertain variables such as growth rates, anticipated future economic conditions, and the appropriate discount rates relative to risk and estimates of residual values.

If the fair value of the reporting unit exceeds the carrying value of the net assets assigned to that unit, goodwill is not impaired, and the Company is not required to perform further testing. If the fair value of the reporting unit is less than the carrying value, the Company will recognize the difference as an impairment charge. Management concluded that no goodwill impairment existed for any of the periods presented.
The Company also has indefinite-lived intangible assets related to trade names. Indefinite-lived intangible assets are subject to impairment testing annually or whenever events or changes in circumstances indicate that their carrying value may not be recoverable. For purposes of impairment testing, the fair value of trade names is determined using an income approach, specifically the relief from royalties method. Management concluded that no indefinite-lived intangible impairment existed for any of the periods presented.

Other Current and Non-Current Assets and Liabilities

The Company defines current assets and liabilities as those from which it will benefit from or which it has an obligation for within one year that do not otherwise classify as assets or liabilities separately reported on the Consolidated Balance Sheets. Other non-current assets and liabilities are expected to benefit the Company or cause its obligation beyond one year. The Company classifies the current portion of long-term assets and liabilities as current assets or liabilities.

Leases

We determine if an arrangement is a lease at inception. Operating leases are included in Operating lease right-of-use (“ROU”) assets, Current portion of operating lease liability, and Operating lease liabilities on our Consolidated Balance Sheets.

Operating lease ROU assets and operating lease liabilities are recognized based on the present value of the future minimum lease payments over the lease term at commencement date. As most of our leases do not provide an implicit rate, we use our incremental borrowing rate based on the information available at commencement date in determining the present value of future payments. The operating lease ROU asset also includes any lease payments made and excludes lease incentives and initial direct costs incurred. Our lease terms may include options to extend or terminate the lease when it is reasonably certain that we will exercise that option. Lease expense for minimum lease payments is recognized on a straight-line basis over the lease term.

We have lease agreements with lease and non-lease components, which are accounted as a single lease component. Additionally, for certain equipment leases, we apply a portfolio approach to effectively account for the operating lease ROU assets and liabilities.

Accounts Payable and Accruals

Accounts payable and accruals are obligations to pay for goods or services that have been acquired in the ordinary course of business. Accounts payable and accruals are recognized initially at their settlement value, and are classified as current liabilities if payment is due within one year or less.

Debt

Debt is recognized initially at par value, net of any applicable discounts or financing costs. Debt is subsequently stated at amortized cost with any difference between the proceeds (net of transactions costs) and the redemption value recognized in the Consolidated Statements of Operations over the term of the debt using the effective interest method. Interest on indebtedness is expensed as incurred.

Debt is classified as a current liability when due within 12 months after the end of the reporting period.
**Tax Receivable Agreement (‘‘TRA’’)**

Concurrent with the completion of the 2019 Transaction, in May 2019 we became a party to a TRA with our pre-business combination equity holders. Under the TRA, we are generally required to pay to certain pre-business combination equity holders approximately 85% of the amount of calculated tax savings, if any, we are deemed to realize (using the actual applicable U.S. federal income tax rate and an assumed combined state and local income tax rate) as a result of (1) any existing tax attributes associated with Covered Tax Assets acquired in the pre-business combination organizational transactions, the benefit of which is allocable to us as a result of such transactions, (2) net operating loss (NOL) carryforwards available as a result of such transactions and (3) tax benefits related to imputed interest. Further, there may be significant changes, to the estimate of the TRA liability due to various reasons including changes in corporate tax law, changes in estimates of the amount or timing of future taxable income, and other items. Changes in those estimates are recognized as adjustments to the related TRA liability, with offsetting impacts recorded in the Consolidated Statements of Operations as Other operating income (expense), net. On August 21, 2019 the Company entered into a TRA Buyout Agreement to settle the outstanding liability. The settlement of the original TRA liability pursuant to the TRA Buyout Agreement was accounted for as an adjustment to Shareholders’ equity.

**Derivative Financial Instruments**

**Foreign Exchange Derivative Contracts**

Prior to the sale of IPM, the Company used derivative financial instruments to manage foreign currency exchange rate risk in IPM. The Company’s derivative financial instruments consist of foreign currency forward contracts ("forward contracts"). Derivative financial instruments were neither held nor issued by the Company for trading purposes.

**Interest Rate Swaps**

The Company has interest rate swaps with counterparties to reduce its exposure to variability in cash flows relating to interest payments on a portion of its outstanding first lien senior secured term loan facility in an aggregate principal amount of $900,000 ("Term Loan Facility"). The Company applies hedge accounting and has designated these instruments as cash flow hedges of the risk associated with floating interest rates on designated future quarterly interest payments. Management assumes the hedge is highly effective and therefore changes in the value of the hedging instrument are recorded in Accumulated other comprehensive income (loss) in the Consolidated Balance Sheets. Any ineffectiveness is recorded in earnings. Amounts in Accumulated other comprehensive income (loss) are reclassified into earnings in the same period during which the hedged transactions affect earnings, or upon termination of the hedging relationship.

**Fair Value of Financial Instruments**

In determining fair value, the use of various valuation methodologies, including market, income and cost approaches is permissible. The Company considers the principal or most advantageous market in which it would transact and considers assumptions that market participants would use when pricing the asset or liability. The accounting guidance for fair value measurements establishes a fair value hierarchy that requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. There are three levels of inputs that may be used to measure fair value based on the reliability of inputs. A financial instrument’s categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement. The Company’s interest rate swap derivative instruments are classified as Level 2. Earn-out liabilities and defined benefit plan assets are classified as Level 3.

**Contingent Considerations**

The Company records liabilities for the estimated cost of such contingencies when expenditures are probable and reasonably estimable. A significant amount of judgment is required to estimate and quantify the potential liability in these matters. We engage outside experts as deemed necessary or appropriate to assist in the calculation of the liability, however management is responsible for evaluating the estimate. As information becomes available regarding changes in circumstances for ongoing contingent considerations, our potential liability is reassessed and adjusted as necessary. See Note 22 — “Commitments and Contingencies” for further information on contingencies.
Pension and Other Post-Retirement Benefits

The Company may be required to sponsor pension benefit plans, for certain international markets, which are unfunded and are not material for the Company. The net periodic pension expense is actuarially determined on an annual basis by independent actuaries using the projected unit credit method. The determination of benefit expense requires assumptions such as the discount rate, which is used to measure service cost, benefit plan obligations and the interest expense on the plan obligations. Other significant assumptions include expected mortality, the expected rate of increase with respect to future compensation and pension. Because the determination of the cost and obligations associated with employee future benefits requires the use of various assumptions, there is measurement uncertainty inherent in the actuarial valuation process. Actual results will differ from results which are estimated based on assumptions.

The liability recognized in the Consolidated Balance Sheets is the present value of the defined benefit obligation at the end of the reporting period. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating the terms of the related pension liability. The defined benefit obligation is included in Other non-current liabilities in the Consolidated Balance Sheets. All actuarial gains and losses that arise in calculating the present value of the defined benefit obligation are recognized immediately in Accumulated deficit and included in the Consolidated Statements of Comprehensive Income (Loss). See Note 13 — “Pension and Other Post Retirement Benefits” for balances and further details including an estimate of the impact on the Consolidated Financial Statements from changes in the most critical assumptions.

Employer contributions to defined contribution plans are expensed as incurred, which is as the related employee service is rendered.

Taxation

The Company recognizes income taxes under the asset and liability method. Our income tax expense, deferred tax assets and liabilities, and reserves for unrecognized tax benefits reflect our best assessment of estimated current and future taxes to be paid. Significant judgments and estimates are required in determining the consolidated Income tax expense for financial statement purposes. Deferred income taxes arise from temporary differences between the tax basis of assets and liabilities and their reported amounts in the financial statements, which will result in taxable or deductible amounts in the future. In assessing the realizability of deferred tax assets, we consider future taxable income by tax jurisdiction and tax planning strategies. The Company records a valuation allowance to reduce our deferred tax assets to equal an amount that is more likely than not to be realized.

Changes in tax laws and tax rates could also affect recorded deferred tax assets and liabilities in the future. The calculation of our tax liabilities involves dealing with uncertainties in the application of complex tax laws and regulations in a multitude of jurisdictions across our global operations. ASC Topic 740, Income Taxes, states that a benefit from an uncertain tax position may be recognized when it is more likely than not that the position will be sustained upon examination, including resolutions of any related appeals or litigation processes, on the basis of the technical merits. The Company first records unrecognized tax benefits as liabilities in accordance with ASC 740 and then adjusts these liabilities when our judgment changes as a result of the evaluation of new information not previously available at the time of establishing the liability. Because of the complexity of some of these uncertainties, the ultimate resolution may result in a payment that is materially different from our current estimate of the unrecognized tax benefit liabilities. These differences will be reflected as increases or decreases to income tax expense in the period in which new information is available.
Interest accrued related to unrecognized tax benefits and income tax-related penalties are included in the Benefit (provision) for income taxes.

Deferred tax is provided on taxable temporary differences arising on investments in foreign subsidiaries, except where we intend, and are able, to reinvest such amounts on a permanent basis.

Revenue Recognition

The Company derives revenue by selling information on a subscription and single transaction basis as well as from performing professional services. The Company recognizes revenue when control of these services are transferred to the customer for an amount, referred to as the transaction price, that reflects the consideration to which the Company is expected to be entitled in exchange for those goods or services. The Company determines revenue recognition utilizing the following five steps: (1) identification of the contract with a customer, (2) identification of the performance obligations in the contract (promised goods or services that are distinct), (3) determination of the transaction price, (4) allocation of the transaction price to the performance obligations, and (5) recognition of revenue when, or as, the Company transfers control of the product or service for each performance obligation. Revenue is recognized net of discounts and rebates, as well as value added and other sales taxes. Cash received or receivable in advance of the delivery of the services or publications is included in deferred revenues. The Company disaggregates revenue based on revenue recognition pattern. Subscription based revenues recognize revenue over time whereas our transactional revenues recognize revenue at a point in time. The Company believes subscription and transaction is reflective of how the Company manages the business. The revenue recognition policies for the Company’s revenue streams are discussed below.

Subscription Revenues

Subscription-based revenues are recurring revenues that are earned under annual, evergreen or multi-year contracts pursuant to which we license the right to use our products to our customers. Revenues from the sale of subscription data and analytics solutions are typically invoiced annually in advance and recognized ratably over the year as revenues are earned. Subscription revenues are typically generated either on (i) an enterprise basis, meaning that the organization has a license for the particular product or service offering and then anyone within the organization can use it at no additional cost, (ii) a seat basis, meaning each individual that uses the particular product or service offering has to have his or her own license, or (iii) a unit basis, meaning that incremental revenues are generated on an existing subscription each time the product is used (e.g., a trademark or brand is searched or assessed).

Transactional Revenues

Transactional revenues are revenues that are earned under contracts for specific deliverables that are typically quoted on a product, data set or project basis and often derived from repeat customers, including customers that also generate subscription-based revenues. Revenues from the sale of transactional products and services are invoiced according to the terms of the contract, typically in arrears. Transactional content sales are usually delivered to the customer instantly or in a short period of time, at which time revenues are recognized. In the case of professional services, these contracts vary in length from several months to years for multi-year projects and customers and typically invoiced based on the achievement of milestones. Transactional revenues are typically generated on a unit basis, although for certain product and service offerings transactional revenues are generated on a seat basis. Transactional revenues may involve sales to the same customer on multiple occasions but with different products or services comprising the order.

Performance Obligations

Content Subscription: Content subscription performance obligations are most prevalent in the Web of Science, Derwent, and Life Sciences Product Lines. Content subscriptions are subscriptions that can only be accessed through the Company’s on-line platform for a specified period of time through downloads or access codes. In addition to the primary content subscription, these types of performance obligations can often include other performance obligations, such as training subscriptions, access to historical content, maintenance and other optional content. While revenue for these performance obligations are primarily recognized over the length of the contract (subscription revenue) there are instances where revenue could be recognized upon delivery (transactional revenue). Historical content and some optional content can be purchased via a perpetual license, which would be recognized upon delivery. Fees are typically paid annually at the beginning of each term.
Domain Registration Services: This performance obligation relates to the MarkMonitor Product Line. This is a service to register domain names with the applicable registries, with the Company being responsible for monitoring the domain name expiration and paying the registry before expiration. In addition, the Company has an ongoing responsibility to ensure the domain name is maintained at the registry. Customers typically sign a one to two year contract, identifying specific domain names to be registered and tracked. Revenue is recognized over the term of the contract and fees are typically invoiced annually at the beginning of each contract term.

Search Services: This performance obligation relates to the CompuMark Product Line. It is a comprehensive search report across multiple databases for a proposed trademark. The report is compiled by Clarivate’s analysts and sent to customers. Revenue is recognized upon delivery of the report. Fees are typically paid upon delivery.

Trademark Watch: This performance obligation relates to the CompuMark Product Line. Trademark watch service is an annual subscription that allows customers to protect their trademarks from infringement by providing timely notification of newly filed or published trademarks. Revenue is recognized over the term of the contract, with fees paid annually at the beginning of each contract term.

Patent Management: This performance obligation related to the IPM Product Line. The Company paid patent registration fees for customers in multiple countries to ensure their patents do not expire. Transaction fee revenue was recognized at the time payment is made on the client’s behalf to the applicable patent office. Fees were paid annually at the beginning of each term.

Variable Consideration

In some cases, contracts provide for variable consideration that is contingent upon the occurrence of uncertain future events, such as retroactive discounts provided to the customers, indexed or volume-based discounts, and revenue between contract expiration and renewal. Variable consideration is estimated at the expected value or at the most likely amount depending on the type of consideration. Estimated amounts are included in the transaction price to the extent it is probable that a significant reversal of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is resolved. The estimate of variable consideration and determination of whether to include estimated amounts in the transaction price are based largely on an assessment of its anticipated performance and all information (historical, current, and forecasted) that is reasonably available to the Company.

Significant Judgments

Significant judgments and estimates are necessary for the allocation of the proceeds received from an arrangement to the multiple performance obligations and the appropriate timing of revenue recognition. Our contracts with customers often include promises to transfer multiple products and services to a customer. Determining whether products and services are considered distinct performance obligations that should be accounted for separately versus together may require significant judgment. Determining a standalone selling price that may not be directly observable amongst all the products and performance obligations requires judgment. Specifically, many Web of Science Product Line contracts include multiple product offerings, which may have both subscription and transactional revenues. Judgment is also required to determine whether the software license is considered distinct and accounted for separately, or not distinct and accounted for together with the subscription service and recognized over time for other products. The Company allocates value to primary content subscriptions or licenses and accompanying performance obligations, such as training subscriptions, access to historical content, maintenance and other optional content. When multiple performance obligations exist in a single contract, the transaction price is allocated to each performance obligation based on the standalone selling price of each performance obligation. The Company utilizes its standard price lists to determine the standalone selling price based on the product and country.
The Company allocates the transaction price to each performance obligation based on the best estimate of the standalone selling price of each distinct good or service in the contract. The transaction price in the contract is allocated at contract inception to the distinct good or service underlying each performance obligation in proportion to the standalone selling price. The standalone selling prices are based on the Company’s normal pricing practices when sold separately with consideration of market conditions and other factors, including customer demographics and geographic location. Discounts applied to the contract will be allocated based on the same proportion of standalone selling prices.

Cost to Obtain a Contract

Commission costs represent costs to obtain a contract and are considered contract assets. The Company pays commissions to the sales managers and support teams for earning new customers and renewing contracts with existing customers. These commission costs are capitalized within Prepaid expenses and Other non-current assets on the Consolidated Balance Sheets. The costs are amortized to Selling, general and administrative expenses within the Consolidated Statements of Operations. The amortization period is between one and five years based on the estimated length of the customer relationship.

Deferred Revenues

The timing of revenue recognition may differ from the timing of invoicing to customers. We record deferred revenues when revenue is recognized subsequent to invoicing. For multi-year agreements, we generally invoice customers annually at the beginning of each annual coverage period and recognize revenue over the term of the coverage period.

Cost of Revenues, Excluding Depreciation and Amortization

Cost of revenues consists of costs related to the production and servicing of the Company’s offerings. These costs primarily relate to information technology, production and maintenance of content and personnel costs relating to professional services and customer service.

Selling, General and Administrative, Excluding Depreciation and Amortization

Selling, general and administrative includes compensation for support and administrative functions in addition to rent, office expenses, professional fees and other miscellaneous expenses. In addition, it includes selling and marketing costs associated with acquiring new customers or selling new products or product renewals to existing customers. Such costs primarily relate to wages and commissions for sales and marketing personnel.

Depreciation

Depreciation expense relates to the Company’s fixed assets including furniture & fixtures, hardware, and leasehold improvements. These assets are depreciated over their expected useful lives, and in the case of leasehold improvements over the shorter of their useful life or the life of the related lease.

Amortization

Amortization expense relates to the Company’s finite-lived intangible assets including databases and content, customer relationships, computer software, and trade names. These assets are being amortized over periods of two to 20 years.
Impairment on Assets Held for Sale

Impairment on assets held for sale represents an impairment charge recorded for certain assets classified as assets held for sale.

Share-based Compensation

Share-based compensation expense includes cost associated with stock options, restricted share units (“RSUs”), and 2019 Transaction related shares granted to certain members of key management. All share-based awards are recognized in the Consolidated Statements of Operations based on their grant date fair values. We amortize the value of share-based awards to expense over the vesting period on a graded-scale basis. The incremental fair value of modifications to stock awards is estimated at the date of modification. We recognize any additional estimated expense in the period of modification for vested awards and over the remaining vesting period for un-vested awards. The Company elects to recognize forfeitures as they occur.

The fair value of stock options is estimated at the date of grant using the Black-Scholes option pricing model, which requires management to make certain assumptions of future expectations based on historical and current data. The assumptions include the expected term of the stock option, expected volatility, dividend yield, and risk-free interest rate. The expected term represents the amount of time that options granted are expected to be outstanding, based on forecasted exercise behavior. The risk-free rate is based on the rate at grant date of zero-coupon U.S. treasury notes with a term comparable to the expected term of the option. Expected volatility is estimated based on the historical volatility of comparable public entities' stock price from the same industry. The Company’s dividend yield is based on forecasted expected payments, which are expected to be zero for current plan. The Company recognizes compensation expense over the vesting period of the award on a graded-scale basis.

The share-based compensation cost of time-based RSU grants is calculate by multiplying the grant date fair market value by the number of shares granted. We recognize compensation expense over the vesting period of the award.

Transaction Expenses

Transaction expenses are incurred by the Company to assess and complete business transactions, including acquisitions and disposals, and typically include advisory, legal and other professional and consulting costs. Transaction expenses also include any earn-out related adjustments.

Transition, Integration and Other

Transition, integration and other expenses provide for the costs of transitioning certain activities performed by the Former Parent to the Company to enable operation on a stand-alone basis. Transition full time employee expense represents labor costs of full time employees who are currently working on migration projects and being expensed. Their traditional role is application development, which was capitalized.

Restructuring

Restructuring expense includes costs associated with involuntary termination benefits provided to employees under the terms of a one-time benefit arrangement, certain contract termination costs, and other costs associated with an exit or disposal activity.

Other Operating Income (Expense), Net

Other operating income (expense) consists of gains or losses related to the disposal of our assets, asset impairments or write-downs and the consolidated impact of re-measurement of the assets and liabilities of our company and our subsidiaries that are denominated in currencies other than each relevant entity’s functional currency. Other operating income (expense), net includes a tax indemnification write down related to the 2016 Transaction for the year ended December 31, 2018. See Note 22 — “Commitments and Contingencies — Tax Indemnity” for further details. The gain on sale of the divested IPM Product Line and related assets is also included in the year ended December 31, 2018. See Note 5 — “Assets Held for Sale and Divested Operations” for further details.
**Interest Expense, Net**

Interest expense consists of interest expense related to our borrowings under the Term Loan Facility and the Notes as well as the amortization of debt issuance costs and interest related to certain derivative instruments.

**Foreign Currency Translation**

The operations of each of the Company’s entities are measured using the currency of the primary economic environment in which the subsidiary operates (“functional currency”). Nonfunctional currency monetary balances are re-measured into the functional currency of the operation with any related gain or loss recorded in Selling, general and administrative costs, excluding depreciation and amortization in the accompanying Consolidated Statements of Operations. Assets and liabilities of operations outside the U.S., for which the functional currency is the local currency, are translated into U.S. dollars using period-end exchange rates. Revenues and expenses are translated at the average exchange rate in effect during each fiscal month during the year. The effects of foreign currency translation adjustments are included as a component of Accumulated other comprehensive income (loss) in the accompanying Consolidated Balance Sheets.

**Comprehensive Income (Loss)**

Comprehensive income (loss) is defined as the change in equity of a business enterprise during a period from Net loss, transactions and other events or circumstances from non-owner sources.

**Advertising and Promotion Costs**

Advertising and promotion costs are expensed as of the first date that the advertisements take place. Advertising expense was approximately $9,574, $12,150 and $14,416 for the years ended December 31, 2019, 2018, and 2017, respectively.

**Legal Costs**

Legal costs are expensed as incurred.

**Debt Issuance Costs**

Fees incurred to issue debt are generally deferred and amortized as a component of interest expense over the estimated term of the related debt using the effective interest rate method.

**Earnings Per Share**

The calculation of earnings per share is based on the weighted average number of common shares or common stock equivalents outstanding during the applicable period. The dilutive effect of common stock equivalents is excluded from basic earnings per share and is included in the calculation of diluted earnings per share. Potentially dilutive securities include outstanding stock options. Employee equity share options and similar equity instruments granted by the Company are treated as potential common shares outstanding in computing diluted earnings per share. Diluted shares outstanding are calculated based on the average share price for each fiscal period using the treasury stock method. Under the treasury stock method, the amount the employee must pay for exercising stock options, the amount of compensation cost for future service that the Company has not yet recognized, and the amount of benefits that would be recorded in Ordinary shares when the award becomes deductible for tax purposes are assumed to be used to repurchase shares.
Newly Adopted Accounting Standards

In February 2016, the FASB issued new guidance, Accounting Standard Update (“ASU”) 2016-02, related to leases in which lessees are required to recognize assets and liabilities on the balance sheet for leases having a term of more than 12 months. Recognition of these lease assets and lease liabilities represents a change from previous U.S. GAAP, which did not require lease assets and lease liabilities to be recognized for operating leases. Qualitative disclosures along with specific quantitative disclosures are required to provide enough information to supplement the amounts recorded in the financial statements so that users can understand more about the nature of an entity’s leasing activities. The Company adopted the standard, using a modified retrospective approach, on January 1, 2019.

The provisions of ASU 2016-02 are effective for the Company’s fiscal year beginning January 1, 2019, including interim periods within that fiscal year. The Company elected the package of practical expedients included in this guidance, which allows it to not reassess whether any expired or existing contracts contain leases, the lease classification for any expired or existing leases, and the initial direct costs for existing leases. The Company does not recognize short-term leases on its Consolidated Balance Sheet, and recognizes those lease payments in Selling, general and administrative costs, excluding depreciation and amortization on the Consolidated Statements of Operations on a straight-line basis over the lease term.

In January 2017, the FASB issued new guidance, ASU 2017-04, which simplifies testing goodwill for impairment by eliminating Step 2 from the goodwill impairment test as described in previously issued guidance. The guidance is effective for annual or any interim goodwill impairment tests in fiscal years beginning after December 15, 2019. The Company elected to adopt this standard on January 1, 2019. This standard did not have a material impact on the Company’s Consolidated Financial Statements.

In July 2018, the FASB issued ASU 2018-11, Leases — Targeted Improvements, as an update to the previously issued guidance. This update added a transition option which allows for the recognition of a cumulative effect adjustment to the opening balance of retained earnings in the period of adoption without recasting the financial statements in periods prior to adoption. The Company elected this transition option.

In March 2019, the FASB issued ASU 2019-01, Leases, as an update to the previously issued guidance. This update added a transition option which clarified the interim disclosure requirements as defined in ASC 250-10-50-3. The Company elected to provide the ASU 2016-02 transition disclosures as of the beginning of the period of adoption rather than the beginning of the earliest period presented. The guidance is effective for all entities during the same period that ASU 2016-02 is adopted.

The standard had a material impact on our Consolidated Balance Sheet and Consolidated Statement of Cash Flows, but did not have an impact on our Consolidated Statement of Operations. The most significant impact was the recognition of ROU assets and lease liabilities for operating leases.

In June 2018, the FASB issued guidance, ASU 2018-07, Compensation — Stock Compensation, which simplifies the accounting for nonemployee share-based payment transactions. The guidance is effective for all entities for fiscal years beginning after December 15, 2018, and interim periods within those fiscal years. This standard did not have a material impact on the Company’s Consolidated Financial Statements.

In July 2018, the FASB issued guidance, ASU 2018-09, Codification Improvements, which clarifies guidance that may have been incorrectly or inconsistently applied by certain entities. The guidance is effective for all entities for fiscal years beginning after December 15, 2018. This standard did not have a material impact on the Company’s Consolidated Financial Statements.

In August 2018, the FASB issued guidance, ASU 2018-13, Fair Value Measurement, which modifies the disclosure requirements on fair value measurements. The guidance is effective for all entities for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2019 with early adoption permitted upon issuance of this update. The Company adopted this standard on January 1, 2019. This standard did not have a material impact on the Company’s Consolidated Financial Statements.
Recently Issued Accounting Standards

In June 2016, the FASB issued new guidance, ASU 2016-13, related to measurement of credit losses on financial instruments which requires the measurement and recognition of expected credit losses for financial assets held at amortized cost. This new guidance replaces the existing incurred loss impairment model with an expected loss methodology, which will result in more timely recognition of credit losses. The guidance is effective for annual reporting periods beginning after December 15, 2019, and interim periods within fiscal years beginning after December 15, 2019. The adoption of this standard is not expected to have a material impact on the Company’s Consolidated Financial Statements.

In August 2018, the FASB issued guidance, ASU 2018-14, which modifies the disclosure requirements for employers that sponsor defined benefit pension or other postretirement plans. The guidance is effective for all entities for fiscal years beginning after December 15, 2020. Early adoption is permitted. The Company is currently in the process of evaluating the impact of the adoption of this standard on its Consolidated Financial Statements.

In August 2018, the FASB issued guidance, ASU 2018-15, which aligns the requirements for capitalizing implementation costs incurred in a hosting arrangement that is a service contract with the requirements for capitalizing implementation costs incurred to develop or obtain internal-use software (and hosting arrangements that include an internal use software license). The accounting for the service element of a hosting arrangement that is a service contract is not affected by the amendments in this Update. The guidance is effective for all entities for fiscal years beginning after December 15, 2019, and interim periods within those fiscal years. The Company adopted the standard on January 1, 2020. The Company does not expect the standard to have a material impact on the Company’s Consolidated Financial Statements.

In April 2019, the FASB issued ASU 2019-04, Codification Improvements to Topic 326, which provides targeted improvements or clarification and correction to the ASU 2016-01 Financial Instruments Overall, ASU 2016-13 Financial Instruments Credit Losses, and ASU 2017-12 Derivatives and Hedging, accounting standards updates that were previously issued. The guidance is effective upon adoption of the related standards. The Company is currently in the process of evaluating the impact of the adoption of this standard on its Consolidated Financial Statements.

In April 2019, the FASB issued ASU 2019-05, Financial Instruments — Credit Losses, which provides targeted transition relief to the accounting standards update previously issued as part of ASU 2016-13 Financial Instruments Credit Losses. The guidance is effective for all entities during the same period that ASU 2016-13 is adopted. The Company is currently in the process of evaluating the impact of the adoption of this standard on its Consolidated Financial Statements.

In November 2019, the FASB issued ASU 2019-10, Credit Losses (Topic 326), Derivatives and Hedging (Topic 815), and Leases (Topic 842), which provides improvements or clarification and correction to the ASU 2016-02 Leases, ASU 2016-13 Financial Instruments Credit Losses, and ASU 2017-12 Derivatives and Hedging, accounting standards updates that were previously issued. The guidance is effective upon adoption of the related standards. The Company is currently in the process of evaluating the impact of the adoption of this standard on its Consolidated Financial Statements.

In November 2019, the FASB issued ASU 2019-11, Codification Improvements to Topic 326, Financial Instruments — Credit Losses, which provides clarification to certain aspects of the accounting standards update previously issued as part of ASU 2016-13 Financial Instruments Credit Losses. The guidance is effective for all entities during the same period that ASU 2016-13 is adopted. The Company is currently in the process of evaluating the impact of the adoption of this standard on its Consolidated Financial Statements.

In December 2019, the FASB issued ASU 2019-12, which enhances and simplifies various aspects of the income tax accounting guidance, including requirements such as tax basis step-up in goodwill obtained in a transaction that is not a business combination, ownership changes in investments, and interim-period accounting for enacted changes in tax law. The guidance is effective for all entities for fiscal years beginning after December 15, 2020. Early adoption is permitted. The Company is currently in the process of evaluating the impact of the adoption of this standard on its Consolidated Financial Statements.
Notes to the Consolidated Financial Statements
(In thousands, except share and per share data, option prices, ratios or as noted)

There were no other new accounting standards that we expect to have a material impact to our financial position or results of operations upon adoption.

Note 4: Business Combinations

On May 13, 2019, the Company completed the 2019 Transaction. Jersey began operations in 2016 as a provider of proprietary and comprehensive content, analytics, professional services and workflow solutions that enables users across government and academic institutions, life science companies and R&D intensive corporations to discover, protect and commercialize their innovations. Churchill was a special purpose acquisition company whose business was to effect a merger, capital stock exchange, asset acquisition, stock purchase reorganization or similar business combination. The shares and earnings per share available to holders of the Company’s ordinary shares, prior to the 2019 Transaction, have been recast as shares reflecting the exchange ratio established in the 2019 Transaction (1.0 Jersey share to 132.13667 Clarivate shares).

Pursuant to the Merger Agreement, the aggregate stock consideration issued by the Company in the 2019 Transaction was $3,052,500, consisting of 305,250,000 newly issued ordinary shares of the Company valued at $10.00 per share, subject to certain adjustments described below. Of the $3,052,500, the shareholders of Jersey prior to the closing of the 2019 Transaction (the “Company Owners”) received $2,175,000 in the form of 217,500,000 newly issued ordinary shares of the Company. In addition, of the $3,052,500, Churchill public shareholders received $690,000 in the form of 68,999,999 newly issued ordinary shares of the Company. In addition, Churchill Sponsor LLC (the “sponsor”) received $187,500 in the form of 17,250,000 ordinary shares of the Company issued to the sponsor, and 1,500,000 additional ordinary shares of the Company were issued to certain investors. See Note 16 – “Shareholders’ Equity” for further information.

Upon consummation of the 2019 Transaction, each outstanding share of common stock of Churchill was converted into one ordinary share of the Company. At the closing of the 2019 Transaction, the Company Owners held approximately 74% of the issued and outstanding ordinary shares of the Company and stockholders of Churchill held approximately 26% of the issued and outstanding shares of the Company excluding the impact of (i) 52,800,000 warrants, (ii) approximately 24,806,793 compensatory options issued to the Company’s management (based on number of options to purchase Jersey ordinary shares outstanding immediately prior to the 2019 Transaction, after giving effect to the exchange ratio described above) and (iii) 10,600,000 ordinary shares of Clarivate owned of record by the sponsor and available for distribution to certain individuals following the applicable lock-up and vesting restrictions.

Certain restrictions were removed following the Secondary Offering on August 14, 2019. See Note 17 – “Employment and Compensation Arrangements” for further information. After giving effect to the satisfaction of the vesting restrictions, the Company Owners held approximately 60% of the issued and outstanding shares of the Company at the close of the 2019 Transaction. See Note 16 – “Shareholders’ Equity” for further information on equity instruments.

In September 2019, the Company purchased the key business assets of SequenceBase, an international patent sequence information provider. The SequenceBase acquisition was accounted for as an asset acquisition. As a result of the SequenceBase acquisition, SequenceBase’s identifiable assets were adjusted to their fair market values as of the closing date, which included customer relations intangibles of $1,000 and computer software intangibles of $2,500. The Consolidated Financial Statements include the results of the acquisition subsequent to the closing date.
On November 27, 2019, the Company closed on the acquisition of Darts-ip, (“Darts”), a provider of global IP case law data and analytics headquartered in Brussels, Belgium. The Company acquired 100% of the voting equity interest of Darts for cash considerations. The Darts acquisition was accounted for using the acquisition method of accounting. As a result of the Darts acquisition and the application of purchase accounting, Darts’ identifiable assets and liabilities were adjusted to their fair market values as of the closing date, which included database intangible assets of $22,012, computer software intangible assets of $9,025, customer relationships intangible assets of $2,641 and finite-lived trade names intangible assets of $1,541. The Consolidated Financial Statements include the results of the acquisition subsequent to the closing date. The excess of the purchase price over the net tangible and intangible assets is recorded to goodwill and primarily reflects the assembled workforce and expected synergies. The weighted-average amortization period for total acquired finite-lived intangible assets is 11.5 years and the weighted-average amortization period by major class of intangible asset is 14.0 years for database and content, 6.0 years for computer software, 18.0 years for trade names, and 5.0 years for customer relationships.

On October 25, 2018, Clarivate closed on the acquisition of TrademarkVision USA, LLC (“TrademarkVision”), an artificial intelligence technology start-up organization headquartered in Brisbane, Australia. The total purchase price for the acquisition consisted of $20,042 in closing date net cash consideration, subject to subsequent working capital adjustments, plus potential earn-out cash payments dependent upon achievement of certain milestones and financial performance metrics. The fair market value of the liability associated with the earn-out was $4,115 on the date of acquisition. Additionally, the excess value of the total purchase price over the fair value of our identifiable assets and liabilities upon the closing of the acquisition of $19,205 was allocated to goodwill. The Consolidated Financial Statements include the results of the acquisition subsequent to the closing date. TrademarkVision and its revolutionary image recognition software search tool for trademarks joined the trademark clearance and protection partner CompuMark. The fair value of the earn-out liability was $8,000 and $4,115 at December 31, 2019 and 2018.

On March 15, 2018, the Company acquired all of the outstanding stock of Kopernio (“Kopernio”), an artificial-intelligence technology startup, for $3,497. The Kopernio acquisition was accounted for using the acquisition method of accounting. As a result of the Kopernio acquisition and the application of purchase accounting, Kopernio’s identifiable assets and liabilities were adjusted to their fair market values as of the closing date, which included a finite life intangible of $1,258 relating to computer software. Additionally, the excess value of the total purchase price over the fair value of our identifiable assets and liabilities upon the closing of the acquisition of $2,322 was allocated to goodwill. The Consolidated Financial Statements include the results of the acquisition subsequent to the closing date. In conjunction with the acquisition of Kopernio, the Company agreed to pay former shareholders up to an additional $3,500 through 2021. Amounts payable are contingent upon Kopernio’s achievement of certain milestones and performance metrics and will be recognized over the concurrent service period.

On June 1, 2017, the Company acquired all assets, liabilities and equity interests of Publons Limited and its wholly-owned subsidiary (“Publons”). Total net cash consideration for the acquisition was $7,401, plus potential future cash payments of up to $9,500 contingent upon Publons achieving certain milestones or financial and non-financial performance targets through 2020, including platform users and reviews. The fair market value of the liability associated with the earn-out was $5,900 on the date of acquisition. Publons is a researcher-facing peer-review data and recognition platform. The acquisition of Publons, its platform and data, is believed to increase the value of multiple existing Company products, while supporting researchers in the process. The Consolidated Financial Statements include the results of the acquisitions subsequent to the closing date. The fair value of the Publons earn-out liability was $3,100, $2,960, and $5,900 at December 31, 2019, 2018, and 2017, respectively.
The fair value of identifiable assets acquired and liabilities assumed for all acquisitions at closing during 2019, 2018, and 2017 respectively, net of cash acquired, and contingent consideration liabilities incurred in relation to the acquisitions are summarized below:

<table>
<thead>
<tr>
<th></th>
<th>2019(1)</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current assets</td>
<td>$2,137</td>
<td>$706</td>
<td>$51</td>
</tr>
<tr>
<td>Computer hardware</td>
<td>86</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>and other property</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Finite-lived intangible assets</td>
<td>38,719</td>
<td>7,928</td>
<td>3,600</td>
</tr>
<tr>
<td>Goodwill</td>
<td>44,779</td>
<td>21,527</td>
<td>9,767</td>
</tr>
<tr>
<td>Indefinite-lived intangible assets</td>
<td>—</td>
<td>—</td>
<td>70</td>
</tr>
<tr>
<td>Other non-current assets</td>
<td>2</td>
<td>38</td>
<td>14</td>
</tr>
<tr>
<td>Total assets</td>
<td>85,723</td>
<td>30,199</td>
<td>13,502</td>
</tr>
</tbody>
</table>

(1) Net assets acquired includes $3,500 related to the SequenceBase acquisition.

None of the goodwill associated with any of the business combinations above will be deductible for income tax purposes. Pro forma information is not presented for these acquisitions as the aggregate operations of the acquired acquisitions were not significant to the overall operations of the Company.
Note 5: Assets Held for Sale and Divested Operations

On November 3, 2019, the Company entered into an agreement with OpSec Security for the sale of certain assets and liabilities of its MarkMonitor Product Line within its IP Group. At December 31, 2019 the assets and liabilities related to the divestment met the criteria for classification as Assets Held for Sale on the Company’s balance sheet. The divestiture closed on January 1, 2020 for a total purchase price of $3,751 and an impairment charge of $18,431 was recognized in the Statement of Operations during the fourth quarter 2019 to reduce the Assets held for sale to their fair value. Of the total impairment charge, $17,967 related to the write down of intangible assets and $468 to the write down of goodwill. Accordingly, we do not expect to record a gain or loss on the divestiture in the first quarter of 2020. After impairment, Current Assets of $2,274 and Long Term Assets of $28,345 were reclassified to Current Assets Held for Sale, while Current Liabilities of $21,170 and Long Term Liabilities of $5,698 were reclassified to Current Liabilities Held For Sale.

The carrying amount of major classes of assets and liabilities that are included in Assets held for sale and Liabilities held for sale at December 31, 2019 related to the divested Brand Protection, Antipiracy and AntiFraud solutions consist of the following:

<table>
<thead>
<tr>
<th>Assets:</th>
<th>As of December 31, 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current assets:</td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$384</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>1,692</td>
</tr>
<tr>
<td>Other current assets</td>
<td>198</td>
</tr>
<tr>
<td>Total current assets</td>
<td>2,274</td>
</tr>
<tr>
<td>Computer hardware and other property, net</td>
<td>2,961</td>
</tr>
<tr>
<td>Other intangible assets, net</td>
<td>18,957</td>
</tr>
<tr>
<td>Other non-current assets</td>
<td>1,993</td>
</tr>
<tr>
<td>Operating lease right-of-use assets</td>
<td>4,434</td>
</tr>
<tr>
<td><strong>Total Assets held for sale</strong></td>
<td><strong>$30,619</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Liabilities:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Current liabilities:</td>
<td></td>
</tr>
<tr>
<td>Accounts payable</td>
<td>$25</td>
</tr>
<tr>
<td>Accrued expenses and other current liabilities</td>
<td>1,764</td>
</tr>
<tr>
<td>Current portion of deferred revenues</td>
<td>18,067</td>
</tr>
<tr>
<td>Current portion of operating lease liabilities</td>
<td>1,314</td>
</tr>
<tr>
<td>Total current liabilities</td>
<td>21,170</td>
</tr>
<tr>
<td>Non-current portion of deferred revenues</td>
<td>834</td>
</tr>
<tr>
<td>Other non-current liabilities</td>
<td>163</td>
</tr>
<tr>
<td>Operating lease liabilities</td>
<td>4,701</td>
</tr>
<tr>
<td><strong>Total Liabilities held for sale</strong></td>
<td><strong>$26,868</strong></td>
</tr>
</tbody>
</table>

On October 1, 2018, all assets, liabilities and equity interest of the IP Management (IPM) Product Line and related assets were sold to CPA Global for a total purchase price of $100,130. As a result of the sale, the Company recorded a net gain on sale of $36,072, inclusive of incurred transaction costs of $3,032 in connection with the divestiture. The gain on sale is included in Other operating income (expense), net within the Consolidated Statement of Operations. As a result of the sale, the Company wrote off Goodwill in the amount of $49,349. The Company used $31,378 of the proceeds to pay down the Term Loan Facility on October 31, 2018.
Both the divestitures of the MarkMonitor Brand Protection, Anti-Piracy and AntiFraud solutions, and IPM Product Lines do not represent a strategic shift and is not expected to have a major effect on the Company’s operations or financial results, as defined by ASC 205-20, Discontinued Operations; as a result, these divestitures do not meet the criteria to be classified as discontinued operations.
Note 6: Accounts Receivable

Our accounts receivable balance consists of the following as of December 31, 2019 and 2018:

<table>
<thead>
<tr>
<th>Year ended December 31,</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts receivable</td>
<td>350,369</td>
<td>345,371</td>
</tr>
<tr>
<td>Less: Accounts receivable allowance</td>
<td>(16,511)</td>
<td>(14,076)</td>
</tr>
<tr>
<td>Accounts receivable, net</td>
<td>$ 333,858</td>
<td>$ 331,295</td>
</tr>
</tbody>
</table>

We record an accounts receivable allowance when it is probable that the accounts receivable balance will not be collected. The amounts comprising the allowance are based upon management’s estimates and historical collection trends. The activity in our accounts receivable allowance consists of the following for the years ended December 31, 2019, 2018, and 2017, respectively:

<table>
<thead>
<tr>
<th>Year ended December 31,</th>
<th>2019</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at beginning of year</td>
<td>$ 14,076</td>
<td>$ 8,495</td>
<td>$ 2,643</td>
</tr>
<tr>
<td>Additional provisions</td>
<td>4,662</td>
<td>6,469</td>
<td>6,233</td>
</tr>
<tr>
<td>Write-offs and other deductions</td>
<td>(2,321)</td>
<td>(870)</td>
<td>(434)</td>
</tr>
<tr>
<td>Exchange differences</td>
<td>94</td>
<td>(18)</td>
<td>53</td>
</tr>
<tr>
<td>Balance at the end of year</td>
<td>$ 16,511</td>
<td>$ 14,076</td>
<td>$ 8,495</td>
</tr>
</tbody>
</table>

Note 7: Leases

As the lessee, we currently lease real estate space, automobiles, and certain equipment under non-cancelable operating lease agreements. Some of the leases include options to extend the leases for up to an additional 10 years. We do not include any of our renewal options in our lease terms for calculating our lease liability as the renewal options allow us to maintain operational flexibility, and we are not reasonably certain we will exercise these renewal options at this time.

We determine if an arrangement is a lease at inception. Operating leases are included in Operating lease right-of-use assets, Current portion of operating lease liabilities, and Operating lease liabilities on our Condensed Consolidated Balance Sheets. The Company assesses its ROU asset and other lease-related assets for impairment consistent with other long-lived assets. As of December 31, 2019, we did not record impairment related to these assets.

Operating lease ROU assets and operating lease liabilities are recognized based on the present value of the future minimum lease payments over the lease term at commencement date. As most of our leases do not provide an implicit rate, we use our incremental borrowing rate based on the information available at commencement date in determining the present value of future payments. As such, the Company used judgment to determine an appropriate incremental borrowing rate. The operating lease ROU asset also includes any lease payments made and excludes lease incentives and initial direct costs incurred. Our variable lease payments consist of non-lease services related to the lease and lease payments that are based on annual changes to an index. Variable lease payments are excluded from the ROU assets and lease liabilities and are recognized in the period in which the obligation for those payments is incurred. Lease expense for minimum lease payments is recognized on a straight-line basis over the lease term.

We have lease agreements with lease and non-lease components, which are accounted as a single lease component. Additionally, for certain equipment leases, we apply a portfolio approach to effectively account for the operating lease ROU assets and liabilities.
As of December 31, 2019, we have additional operating leases, primarily for real estate, that have not yet commenced of $4,158. These operating leases will commence in fiscal year 2020 with lease terms of one year to five years.

The future aggregate minimum lease payments as of December 31, 2019 under all non-cancelable operating leases for the years noted are as follows:

<table>
<thead>
<tr>
<th>Year ending December 31,</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating lease cost</td>
<td>$ 27,812</td>
</tr>
<tr>
<td>Short-term lease cost</td>
<td>296</td>
</tr>
<tr>
<td>Variable lease cost</td>
<td>1,213</td>
</tr>
<tr>
<td><strong>Total lease cost</strong></td>
<td><strong>$ 29,321</strong></td>
</tr>
</tbody>
</table>

The future aggregate minimum lease payments as of December 31, 2019 under all non-cancelable operating leases for the years noted are as follows:

<table>
<thead>
<tr>
<th>Year ending December 31,</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating lease cost</td>
<td>$ 21,178</td>
</tr>
<tr>
<td>Short-term lease cost</td>
<td>17,854</td>
</tr>
<tr>
<td>Variable lease cost</td>
<td>15,378</td>
</tr>
<tr>
<td>Weighted-average remaining lease term - operating leases</td>
<td>12,816</td>
</tr>
<tr>
<td>Weighted-average discount rate - operating leases</td>
<td>10,476</td>
</tr>
<tr>
<td>Total operating lease commitments</td>
<td>25,460</td>
</tr>
<tr>
<td><strong>Total operating lease commitments</strong></td>
<td><strong>103,162</strong></td>
</tr>
<tr>
<td>Less imputed interest</td>
<td>(16,843)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$ 86,319</strong></td>
</tr>
</tbody>
</table>

In connection with certain leases, the Company guarantees the restoration of the leased property to a specified condition after completion of the lease period. As of December 31, 2019 and December 31, 2018, the liability of $3,455 and $4,100, respectively, associated with these restorations is recorded within Other non-current liabilities.

There were no material future minimum sublease payments to be received under non-cancelable subleases at December 31, 2019. There was no material sublease income for the years ended December 31, 2019, 2018 and 2017, respectively.
As discussed above, the Company adopted Topic 842 effective January 1, 2019 using a modified retrospective approach. For comparability purposes, and as required, the following disclosure is provided for periods prior to adoption. The Company’s total future minimum annual rental payments in effect at December 31, 2018 for noncancelable operating leases, which were accounted for under the previous leasing standard, Accounting Standards Codification 840, were as follows:

Year ended December 31,

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Future Minimum Annual Rental Payments</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>$22,140</td>
</tr>
<tr>
<td>2020</td>
<td>19,531</td>
</tr>
<tr>
<td>2021</td>
<td>17,240</td>
</tr>
<tr>
<td>2022</td>
<td>15,333</td>
</tr>
<tr>
<td>2023</td>
<td>14,944</td>
</tr>
<tr>
<td>Thereafter</td>
<td>40,367</td>
</tr>
<tr>
<td>Total operating lease commitments</td>
<td>$129,555</td>
</tr>
</tbody>
</table>

Total rental expense under operating leases amounted to $25,527 and $17,255 for the years ended December 31, 2018 and 2017, respectively.

Note 8: Computer Hardware and Other Property, Net

Computer hardware and other property consisted of the following:

<table>
<thead>
<tr>
<th></th>
<th>December 31, 2019</th>
<th>December 31, 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Computer hardware</td>
<td>$24,620</td>
<td>$18,130</td>
</tr>
<tr>
<td>Leasehold improvements</td>
<td>12,496</td>
<td>13,298</td>
</tr>
<tr>
<td>Furniture, fixtures and equipment</td>
<td>4,412</td>
<td>6,816</td>
</tr>
<tr>
<td>Total computer hardware and other property</td>
<td>41,528</td>
<td>38,244</td>
</tr>
<tr>
<td>Accumulated depreciation</td>
<td>(23,486)</td>
<td>(17,603)</td>
</tr>
<tr>
<td>Total computer hardware and other property, net</td>
<td>$18,042</td>
<td>$20,641</td>
</tr>
</tbody>
</table>

Depreciation amounted to $9,181, $9,422, and $6,997 for the years ended December 31, 2019, 2018, and 2017, respectively.
Note 9: Identifiable Intangible Assets, net

The Company’s identifiable intangible assets consist of the following:

<table>
<thead>
<tr>
<th>Description</th>
<th>December 31, 2019</th>
<th>December 31, 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Gross</td>
<td>Accumulated Amortization</td>
</tr>
<tr>
<td>Finite-lived intangible assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Customer relationships</td>
<td>$280,493</td>
<td>$(180,571)</td>
</tr>
<tr>
<td>Databases and content</td>
<td>1,755,323</td>
<td>(342,385)</td>
</tr>
<tr>
<td>Computer software</td>
<td>285,701</td>
<td>(135,919)</td>
</tr>
<tr>
<td>Trade names</td>
<td>1,570</td>
<td>—</td>
</tr>
<tr>
<td>Finite-lived intangible assets</td>
<td>2,323,087</td>
<td>(658,875)</td>
</tr>
<tr>
<td>Indefinite-lived intangible assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade names</td>
<td>164,428</td>
<td>—</td>
</tr>
<tr>
<td>Total intangible assets</td>
<td>$2,487,515</td>
<td>(658,875)</td>
</tr>
</tbody>
</table>

The Company performed the indefinite-lived impairment test as of October 1, 2019 and 2018. Additionally, the Company reviewed goodwill for indicators of impairment at December 31, 2019 and 2018. As part of this analysis, the Company determined that its trade name, with a carrying value of $164,428, and $168,349 as of December 31, 2019 and 2018, respectively, was not impaired and will continue to be reported as indefinite-lived intangible assets.

In September and November 2019, the Company purchased the key business assets of SequenceBase and Darts-ip. As a result of the purchase, customer relations balance increased $3,641, computer software increased $11,525, databases and content increased $22,012 and finite-lived trade names increased $1,541. See Note 4 – “Business Combinations” for further details.

On January 1, 2020, all assets, liabilities, and equity interest of the Brand Protection, AntiPiracy, and AntiFraud solutions of the MarkMonitor Product Line were sold to OpSec Security for a purchase price of $3,751, which was determined to be the approximation of the fair value. At December 31, 2019, the assets and liabilities related to the divestment met the criteria for classification as Assets held for sale on the Company’s balance sheet, which included $36,924 of intangible assets. In addition, the Company compared the book value of the assets and liabilities to the purchase price and recorded a total impairment charge during the year ended December 31, 2019 of $18,431, which included the write down of the $17,967 intangible assets classified as Assets held for sale. See Note 5 – “Assets Held for Sale and Divested Operations” for further details.

The weighted-average amortization period for each class of finite-lived intangible assets and for total finite-lived intangible assets, which range between two and 20 years, is as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Remaining Weighted Average Amortization Period (in years)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer relationships</td>
<td>12.70</td>
</tr>
<tr>
<td>Databases and content</td>
<td>13.80</td>
</tr>
<tr>
<td>Computer software</td>
<td>3.89</td>
</tr>
<tr>
<td>Trade names</td>
<td>18.00</td>
</tr>
<tr>
<td>Total</td>
<td>13.08</td>
</tr>
</tbody>
</table>

Amortization amounted to $191,361, $227,803, and 221,466 for the years ended December 31, 2019, 2018, and 2017, respectively.
Estimated amortization for each of the five succeeding years as of December 31, 2019 is as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>$170,343</td>
</tr>
<tr>
<td>2021</td>
<td>160,666</td>
</tr>
<tr>
<td>2022</td>
<td>122,886</td>
</tr>
<tr>
<td>2023</td>
<td>116,665</td>
</tr>
<tr>
<td>2024</td>
<td>116,395</td>
</tr>
<tr>
<td>Thereafter</td>
<td>935,302</td>
</tr>
</tbody>
</table>

Subtotal finite-lived intangible assets: $1,622,257
- Internally developed software projects in process: $41,955

Total finite-lived intangible assets: $1,664,212
- Intangibles with indefinite lives: $164,428

Total intangible assets: $1,828,640
Note 10: Goodwill

The change in the carrying amount of goodwill is shown below:

<table>
<thead>
<tr>
<th>Description</th>
<th>December 31, 2017</th>
<th>December 31, 2018</th>
<th>December 31, 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance as of December 31, 2017</td>
<td>$1,311,253</td>
<td>$1,282,919</td>
<td>$1,328,045</td>
</tr>
<tr>
<td>Acquisition</td>
<td>21,527</td>
<td>44,779</td>
<td></td>
</tr>
<tr>
<td>Disposal</td>
<td>(49,349)</td>
<td>(468)</td>
<td></td>
</tr>
<tr>
<td>Impact of foreign currency fluctuations and other</td>
<td>(512)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance as of December 31, 2018</td>
<td>$1,282,919</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Acquisition</td>
<td>44,779</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transferred to Assets held for sale</td>
<td>(468)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Impact of foreign currency fluctuations and other</td>
<td></td>
<td>815</td>
<td></td>
</tr>
<tr>
<td>Balance as of December 31, 2019</td>
<td>$1,328,045</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The Company performed the goodwill impairment test as of October 1, 2019 and 2018. Additionally, the Company reviewed goodwill for indicators of impairment at December 31, 2019 and 2018. As of December 31, 2019, 2018 and 2017, the accumulated goodwill impairment was $0.

Goodwill represents the purchase price in excess of the fair value of the net assets acquired in a business combination. If the carrying value of a reporting unit exceeds the implied fair value of that reporting unit, an impairment charge to goodwill is recognized for the excess. The Company’s reporting units are one level below the operating segment, as determined in accordance with ASC 350. For the years ended December 31, 2019 and 2018, the Company had five reporting units.

The Company estimates the fair value of its reporting units using the income approach. Under the income approach, the fair value of a reporting unit is calculated based on the present value of estimated cash flows. No indicators of impairment existed as a result of the Company’s assessments, except for the sale of the Brand Protection, AntiPiracy, and AntiFraud solutions of the MarkMonitor Product Line.

On January 1, 2020, all assets, liabilities, and equity interest of the Brand Protection, AntiPiracy, and AntiFraud solutions of the MarkMonitor Product Line were sold to OpSec Security for a purchase price of $3,751, which was determined to be the approximation of the fair value. At December 31, 2019, the assets and liabilities related to the divestment met the criteria for classification as Assets held for sale on the Company’s balance sheet, which included $468 of goodwill. In addition, the Company compared the book value of the assets and liabilities to the purchase price and recorded a total impairment charge during the year ended December 31, 2019 of $18,431, which included the write down of the $468 goodwill classified as Assets held for sale. See Note 5 – “Assets Held for Sale” for further details.

On November 27, 2019, the Company acquired Darts-ip, which included $44,779 of goodwill. See Note 4 – “Business Combinations” for further details.

On October 1, 2018, the Company divested the IPM Product Line, which included $49,349 of goodwill. See Note 5 – “Assets Held for Sale and Divested Operations” for further details.

On October 25, 2018, Clarivate closed on the acquisition of TrademarkVision USA, LLC (“TrademarkVision”), which included $19,205 of goodwill. See Note 4 – “Business Combinations” for further details.

On March 15, 2018, the Company acquired all of the outstanding stock of Kopernio (“Kopernio”), which included $2,322 of goodwill. See Note 4 – “Business Combinations” for further details.
Note 11: Derivative Instruments

The IPM Product Line and related assets, which were divested on October 1, 2018, had forward contracts with notional values of $0 at December 31, 2019 and December 31, 2018. Gains or (losses) on the forward contracts amounted to $0, $240 and $(1,479) for the years ended December 31, 2019, 2018 and 2017 respectively. These amounts were recorded in Revenues, net in the Consolidated Statements of Operations. The cash flows from forward contracts are reported as operating activities in the Consolidated Statements of Cash Flows. The fair value of the forward contracts recorded in Accrued expenses and other current liabilities was $0 as at December 31, 2019 and December 31, 2018.

In April 2017, the Company entered into interest rate derivative arrangements with counterparties to reduce its exposure to variability in cash flows relating to interest payments on $300,000 of its term loan, effective April 30, 2021. Additionally, in May 2019, the Company entered into additional interest rate derivative arrangements with counterparties to reduce its exposure to variability in cash flows relating to interest payments on $50,000 of its Term Loan, effective March 2021 and maturing in September 2023. The Company applies hedge accounting by designating the interest rate swaps as a hedge in applicable future quarterly interest payments.

Changes in the fair value of interest rate swaps are recorded in Accumulated other comprehensive income (loss) (“AOCI”) and the amounts reclassified out of AOCI are recorded to Interest expense, net. The fair value of the interest rate swaps is recorded in Other non-current assets or liabilities according to the duration of related cash flows. The total fair value of the interest rate swaps was a liability of $2,778 at December 31, 2019 and an asset of $3,644 at December 31, 2018.

See Note 12 – “Fair Value Measurements” for additional information on derivative instruments.

The following table summarizes the changes in AOCI (net of tax) related to cash flow hedges for the year ended December 31, 2017:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount (in thousands)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at December 31, 2016:</td>
<td>$</td>
</tr>
<tr>
<td>Other comprehensive income (loss)</td>
<td>3,011</td>
</tr>
<tr>
<td>Amounts reclassified from AOCI to net income</td>
<td>(1,904)</td>
</tr>
<tr>
<td>Balance at December 31, 2017:</td>
<td>$ 1,107</td>
</tr>
</tbody>
</table>

The following table summarizes the changes in AOCI (net of tax) related to cash flow hedges for the year ended December 31, 2018:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount (in thousands)</th>
</tr>
</thead>
<tbody>
<tr>
<td>AOCI Balance at December 31, 2017:</td>
<td>$ 3,644</td>
</tr>
<tr>
<td>Derivative gains (losses) recognized in Other comprehensive income (loss)</td>
<td>2,313</td>
</tr>
<tr>
<td>Amount reclassified out of Other comprehensive income (loss) to net loss</td>
<td>224</td>
</tr>
</tbody>
</table>

The following table summarizes the changes in AOCI (net of tax) related to cash flow hedges for the year ended December 31, 2019:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount (in thousands)</th>
</tr>
</thead>
<tbody>
<tr>
<td>AOCI Balance at December 31, 2018:</td>
<td>$ 3,644</td>
</tr>
<tr>
<td>Derivative gains (losses) recognized in Other comprehensive income (loss)</td>
<td>(7,107)</td>
</tr>
<tr>
<td>Amount reclassified out of Other comprehensive income (loss) to net loss</td>
<td>685</td>
</tr>
<tr>
<td>AOCI Balance at December 31, 2019:</td>
<td>$ (2,778)</td>
</tr>
</tbody>
</table>
Note 12: Fair Value Measurements

The Company records certain assets and liabilities at fair value. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants at the measurement date. A three-level fair value hierarchy that prioritizes the inputs used to measure fair value is described below. This hierarchy requires entities to maximize the use of observable inputs and minimize the use of unobservable inputs. The three levels of inputs used to measure fair value are as follows:

- **Level 1** - Quoted prices in active markets for identical assets or liabilities.
- **Level 2** - Observable inputs other than quoted prices include in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.
- **Level 3** - Unobservable inputs that are support by little or no market activity. This includes certain pricing models, discounted cash flow methodologies and similar techniques that use significant unobservable inputs.

Below is a summary of the valuation techniques used in determining fair value:

**Derivatives** - Derivatives consist of foreign exchange contracts and interest rate swaps. The fair value of foreign exchange contracts is based on observable market inputs of spot and forward rates or using other observable inputs. The fair value of the interest rate swaps is the estimated amount that the Company would receive or pay to terminate such agreements, taking into account market interest rates and the remaining time to maturities or using market inputs with mid-market pricing as a practical expedient for bid-ask spread. See Note 11 – “Derivative Instruments” for additional information.

**Contingent consideration** - The Company values contingent consideration related to business combinations using a weighted probability calculation of potential payment scenarios discounted at rates reflective of the risks associated with the expected future cash flows. Key assumptions used to estimate the fair value of contingent consideration include revenue, net new business and operating forecasts and the probability of achieving the specific targets.

The carrying value of cash and cash equivalents, restricted cash, accounts receivable, accounts payable, and other accruals readily convertible into cash approximate fair value because of the short-term nature of the instruments. The carrying value of the Company’s variable interest rate debt, excluding unamortized debt issuance costs and original issue discount, approximates fair value due to the short-term nature of the interest rate benchmark rates. The fair value of the fixed rate debt is estimated based on market observable data for debt with similar prepayment features. The fair value of the Company’s debt was $1,692,750 and $1,950,318 at December 31, 2019 and 2018, respectively. The fair value is considered Level 2 under the fair value hierarchy.

**Assets and Liabilities Recorded at Fair Value on a Recurring Basis**

The Company has determined that its foreign exchange forward contracts, included in Other current assets, along with the interest rate swaps, included in Accrued expenses and other current liabilities and Other non-current liabilities according to the duration of related cash flows, reside within Level 2 of the fair value hierarchy.

The earn-out liability is recorded in Accrued expenses and other current liabilities and Other non-current liabilities and is classified as Level 3 in the fair value hierarchy. Additionally, the earn-out relates to the TrademarkVision and the Publons acquisitions that occurred in 2018 and 2017, respectively. The amount payable is contingent upon the achievement of certain company specific milestones and performance metrics over a 1-year and 3-year period, respectively, including number of cumulative users, cumulative reviews and annual revenue. In accordance with ASC 805, we estimated the fair value of the earn-outs using a Monte Carlo simulation for the year ended December 31, 2018.

As of December 31, 2019, the amount of the earn-outs approximate fair value due to their short term nature of their remaining payments. This fair value measurement is based on significant inputs not observable in the market and thus represents a Level 3 measurement as defined in ASC 820. As of December 31, 2019, the Company increased the earn-out liabilities related to Publons and TrademarkVision based on current period performance. Changes in the earn-out are recorded to Transaction expenses in the Consolidated Statements of Operations.

There were no transfers of assets or liabilities between levels during the years ended December 31, 2019 and 2018.
The following inputs and assumptions were used to value the earn-out liability as of December 31, 2018:

<table>
<thead>
<tr>
<th>TrademarkVision</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Risk-free rate</td>
<td>2.77%</td>
<td></td>
</tr>
<tr>
<td>Discount rate</td>
<td>8.09%</td>
<td></td>
</tr>
<tr>
<td>Expected life (in years)</td>
<td>1.54</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Publons</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Risk-free rate</td>
<td>2.34 - 2.63%</td>
<td></td>
</tr>
<tr>
<td>Discount rate</td>
<td>9.23 - 9.72%</td>
<td></td>
</tr>
<tr>
<td>Expected life (in years)</td>
<td>1.04 - 3.04</td>
<td></td>
</tr>
</tbody>
</table>

The following table presents the changes in the earn-out, the only Level 3 item, for the years ended December 31, 2019 and 2018:

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at December 31, 2016</td>
<td>$</td>
<td>—</td>
</tr>
<tr>
<td>Earn-out liability</td>
<td>5,900</td>
<td></td>
</tr>
<tr>
<td>Balance at December 31, 2017</td>
<td>$</td>
<td>5,900</td>
</tr>
<tr>
<td>Business combinations</td>
<td>4,115</td>
<td></td>
</tr>
<tr>
<td>Payment of earn-out liability</td>
<td>(2,470)</td>
<td></td>
</tr>
<tr>
<td>Revaluations included in earnings</td>
<td>(470)</td>
<td></td>
</tr>
<tr>
<td>Balance at December 31, 2018</td>
<td>$</td>
<td>7,075</td>
</tr>
<tr>
<td>Payment of Earn-out liability (1)</td>
<td>(2.371)</td>
<td></td>
</tr>
<tr>
<td>Revaluations included in earnings</td>
<td>6,396</td>
<td></td>
</tr>
<tr>
<td>Balance as of December 31, 2019</td>
<td>$</td>
<td>11,100</td>
</tr>
</tbody>
</table>

(1) See Note 22 — “Commitments and Contingencies” for further details
The following table provides a summary of the Company’s assets and liabilities that were recognized at fair value on a recurring basis as at December 31, 2019 and 2018:

<table>
<thead>
<tr>
<th></th>
<th>December 31, 2019</th>
<th>Total Fair Value</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Level 1</td>
<td>Level 2</td>
</tr>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest rate swap asset</td>
<td>$—</td>
<td>$—</td>
</tr>
<tr>
<td><strong>Liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest rate swap liability</td>
<td>—</td>
<td>2,778</td>
</tr>
<tr>
<td>Earn-out</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$—</td>
<td>$2,778</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>December 31, 2018</th>
<th>Total Fair Value</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Level 1</td>
<td>Level 2</td>
</tr>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest rate swap asset</td>
<td>—</td>
<td>3,644</td>
</tr>
<tr>
<td><strong>Liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Earn-out</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$—</td>
<td>$—</td>
</tr>
</tbody>
</table>

**Non-Financial Assets Valued on a Non-Recurring Basis**

The Company’s long-lived assets, including goodwill, indefinite-lived intangible and finite-lived intangible assets subject to amortization, are measured at fair value on a non-recurring basis. These assets are measured at cost but are written-down to fair value, if necessary, as a result of impairment.

Finite-lived Intangible Assets - If a triggering event occurs, the Company determines the estimated fair value of finite-lived intangible assets by determining the present value of the expected cash flows.

Indefinite-lived Intangible Asset - If a qualitative analysis indicates that it is more likely than not that the estimated fair value is less than the carrying value of an indefinite-lived intangible asset, the Company determines the estimated fair value of the indefinite-lived intangible asset (trade name) by determining the present value of the estimated royalty payments on an after-tax basis that it would be required to pay the owner for the right to use such trade name. If the carrying amount exceeds the estimated fair value, an impairment loss is recognized in an amount equal to the excess.

Goodwill - Goodwill represents the difference between the purchase price and the fair value of the identifiable tangible and intangible net assets resulting from business combinations. The Company evaluates its goodwill for impairment at the reporting unit level, defined as an operating segment or one level below an operating segment, annually as of October 1 or more frequently if impairment indicators arise in accordance with ASC Topic 350. The Company performs qualitative analysis of macroeconomic conditions, industry and market considerations, internal cost factors, financial performance, fair value history and other company specific events. If this qualitative analysis indicates that it is more likely than not that the estimated fair value is less than the book value for the respective reporting unit, the Company applies a two-step impairment test in which the Company determines whether the estimated fair value of the reporting unit is in excess of its carrying value. If the carrying value of the net assets assigned to the reporting unit exceeds the estimated fair value of the reporting unit, the Company performs the second step of the impairment test to determine the implied estimated fair value of the reporting unit’s goodwill. The Company determines the implied estimated fair value of goodwill by determining the present value of the estimated future cash flows for each reporting unit and comparing the reporting unit’s risk profile and growth prospects to selected, reasonably similar publicly traded companies.
Effective January 1, 2020, all assets, liabilities, and equity interest of the Brand Protection, AntiPiracy, and AntiFraud solutions of the MarkMonitor Product Line were sold to OpSec Security for a purchase price of $3,751, which approximates fair value of the assets as of December 31, 2019. To measure the amount of impairment related to the divestiture, the Company compared the fair values of assets and liabilities at the evaluation date to the carrying amounts as of December 31, 2019. The loss on impairment was $18,431 as of December 31, 2019. The sale of the Brand Protection, AntiPiracy, and AntiFraud solutions of the MarkMonitor Product Line assets and liabilities are categorized as Level 2 within the fair value hierarchy. The key assumption included the negotiated sales price of the assets and the assumptions of the liabilities. See Note 5 — “Assets Held for Sale and Divested Operations” for additional information.

Note 13: Pension and Other Post-Retirement Benefits

Retirement Benefits

Defined contribution plans

Employees participate in various defined contribution savings plans that provide for Company-matching contributions. Costs for future employee benefits are accrued over the periods in which employees earn the benefits. Total expense related to defined contribution plans was $12,143, $13,170 and $12,488 for the year ended December 31, 2019, 2018 and 2017, respectively, which approximates the cash outlays related to the plans.

Defined benefit plans

A limited number of employees participate in noncontributory defined benefit pension plans that are maintained in certain international markets. The plans are managed and funded to provide pension benefits to covered employees in accordance with local regulations and practices. The Company’s obligations related to the defined benefit pension plans is in Accrued expenses and other current liabilities and Other non-current liabilities.
The following table presents the changes in projected benefit obligations, the plan assets, and the funded status of the defined benefit pension plans:

<table>
<thead>
<tr>
<th></th>
<th>December 31, 2019</th>
<th>December 31, 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Obligation and funded status:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Change in benefit obligation</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Projected benefit obligation at beginning of year</td>
<td>$14,486</td>
<td>$14,258</td>
</tr>
<tr>
<td>Service costs</td>
<td>870</td>
<td>888</td>
</tr>
<tr>
<td>Interest cost</td>
<td>311</td>
<td>283</td>
</tr>
<tr>
<td>Plan participant contributions</td>
<td>114</td>
<td>109</td>
</tr>
<tr>
<td>Actuarial losses</td>
<td>1,492</td>
<td>29</td>
</tr>
<tr>
<td>Divestiture</td>
<td>—</td>
<td>(138)</td>
</tr>
<tr>
<td>Benefit payments</td>
<td>(312)</td>
<td>(274)</td>
</tr>
<tr>
<td>Expenses paid from assets</td>
<td>(36)</td>
<td>(35)</td>
</tr>
<tr>
<td>Settlements</td>
<td>(89)</td>
<td>—</td>
</tr>
<tr>
<td>Effect of foreign currency translation</td>
<td>(273)</td>
<td>(634)</td>
</tr>
<tr>
<td>Projected benefit obligation at end of year</td>
<td>$16,563</td>
<td>$14,486</td>
</tr>
<tr>
<td><strong>Change in plan assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fair value of plan assets at beginning of year</td>
<td>$5,184</td>
<td>$5,062</td>
</tr>
<tr>
<td>Actual return on plan assets</td>
<td>198</td>
<td>95</td>
</tr>
<tr>
<td>Settlements</td>
<td>(89)</td>
<td>—</td>
</tr>
<tr>
<td>Plan participant contributions</td>
<td>113</td>
<td>109</td>
</tr>
<tr>
<td>Employer contributions</td>
<td>533</td>
<td>460</td>
</tr>
<tr>
<td>Benefit payments</td>
<td>(312)</td>
<td>(274)</td>
</tr>
<tr>
<td>Expenses paid from assets</td>
<td>(36)</td>
<td>(35)</td>
</tr>
<tr>
<td>Effect of foreign currency translation</td>
<td>(104)</td>
<td>(233)</td>
</tr>
<tr>
<td>Fair value of plan assets at end of year</td>
<td>5,487</td>
<td>5,184</td>
</tr>
<tr>
<td><strong>Unfunded status</strong></td>
<td>$ (11,076)</td>
<td>$ (9,302)</td>
</tr>
</tbody>
</table>

The following table summarizes the amounts recognized in the Consolidated Balance Sheets related to the defined benefit pension plans:

<table>
<thead>
<tr>
<th></th>
<th>December 31, 2019</th>
<th>December 31, 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current liabilities</td>
<td>$ (635)</td>
<td>$ (443)</td>
</tr>
<tr>
<td>Non-current liabilities</td>
<td>$ (10,441)</td>
<td>$ (8,859)</td>
</tr>
<tr>
<td>AOCI</td>
<td>$ 470</td>
<td>$ (1,054)</td>
</tr>
</tbody>
</table>
The following table provides information for those pension plans with an accumulated benefit obligation in excess of plan assets and projected benefit obligations in excess of plan assets:

<table>
<thead>
<tr>
<th>Plans with accumulated benefit obligation in excess of plan assets:</th>
<th>December 31, 2019</th>
<th>December 31, 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accumulated benefit obligation</td>
<td>$15,465</td>
<td>$13,605</td>
</tr>
<tr>
<td>Fair value of plan assets</td>
<td>$5,487</td>
<td>$5,184</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Plans with projected benefit obligation in excess of plan assets:</th>
<th>December 31, 2019</th>
<th>December 31, 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Projected benefit obligation</td>
<td>$16,563</td>
<td>$14,486</td>
</tr>
<tr>
<td>Fair value of plan assets</td>
<td>$5,487</td>
<td>$5,184</td>
</tr>
</tbody>
</table>

The components of net periodic benefit cost changes in plan assets and benefit obligations recognized as follows:

<table>
<thead>
<tr>
<th></th>
<th>December 31,</th>
<th>December 31,</th>
</tr>
</thead>
<tbody>
<tr>
<td>Service cost</td>
<td>$870</td>
<td>$888</td>
</tr>
<tr>
<td>Interest cost</td>
<td>$311</td>
<td>$283</td>
</tr>
<tr>
<td>Expected return on plan assets</td>
<td>(157)</td>
<td>(150)</td>
</tr>
<tr>
<td>Amortization of actuarial gains</td>
<td>(76)</td>
<td>(78)</td>
</tr>
<tr>
<td>Settlement</td>
<td>7</td>
<td>—</td>
</tr>
<tr>
<td>Net periodic benefit cost</td>
<td>$955</td>
<td>$943</td>
</tr>
</tbody>
</table>

The following table presents the weighted-average assumptions used to determine the net periodic benefit cost as of:

<table>
<thead>
<tr>
<th></th>
<th>December 31,</th>
<th>December 31,</th>
</tr>
</thead>
<tbody>
<tr>
<td>Discount rate</td>
<td>2.26%</td>
<td>2.31%</td>
</tr>
<tr>
<td>Expected return on plan assets</td>
<td>3.00%</td>
<td>3.00%</td>
</tr>
<tr>
<td>Rate of compensation increase</td>
<td>3.68%</td>
<td>3.76%</td>
</tr>
<tr>
<td>Social Security increase rate</td>
<td>2.50%</td>
<td>2.50%</td>
</tr>
<tr>
<td>Pension increase rate</td>
<td>1.80%</td>
<td>1.80%</td>
</tr>
</tbody>
</table>
The following table presents the weighted-average assumptions used to determine the benefit obligations as of:

<table>
<thead>
<tr>
<th></th>
<th>December 31, 2019</th>
<th>December 31, 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Discount rate</td>
<td>1.60%</td>
<td>2.26%</td>
</tr>
<tr>
<td>Rate of compensation increase</td>
<td>3.77%</td>
<td>3.68%</td>
</tr>
<tr>
<td>Social Security increase rate</td>
<td>2.50%</td>
<td>2.50%</td>
</tr>
<tr>
<td>Pension increase rate</td>
<td>1.80%</td>
<td>1.80%</td>
</tr>
</tbody>
</table>

The Company determines the assumptions used to measure plan liabilities as of the December 31 measurement date.

The discount rate represents the interest rate used to determine the present value of the future cash flows currently expected to be required to settle the Company’s defined benefit pension plan obligations. The discount rates are derived using weighted average yield curves on corporate bonds. The cash flows from the Company’s expected benefit obligation payments are then matched to the yield curve to derive the discount rates. At December 31, 2019, the discount rates ranged from 0.45% to 6.45% for the Company’s pension plan and postretirement benefit plan. At December 31, 2018, the discount rates ranged from 0.40% to 7.10% for the Company’s pension plan and postretirement benefit plan.

**Plan Assets**

The general investment objective for our plan assets is to obtain a rate of investment return consistent with the level of risk being taken and to earn performance rates of return as required by local regulations for our defined benefit plans. For such plans, the strategy is to invest primarily 100% in insurance contracts. Plan assets held in insurance contracts do not have target asset allocation ranges. The expected long-term return on plan assets is estimated based off of historical and expected returns. As of December 31, 2019, the expected weighted-average long-term rate of return on plan assets was 3%.

The fair value of our plan assets and the respective level in the fair value hierarchy by asset category is as follows:

<table>
<thead>
<tr>
<th>Fair value measurement of pension plan assets:</th>
<th>Level 1</th>
<th>Level 2</th>
<th>Level 3</th>
<th>Total Assets</th>
<th>Level 1</th>
<th>Level 2</th>
<th>Level 3</th>
<th>Total Assets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Insurance contract</td>
<td>$ —</td>
<td>—</td>
<td>5,487</td>
<td>$ 5,487</td>
<td>$ —</td>
<td>—</td>
<td>—</td>
<td>5,184</td>
</tr>
</tbody>
</table>

The fair value of the insurance contracts is an estimate of the amount that would be received in an orderly sale to a market participant at the measurement date. The amount the plan would receive from the contract holder if the contracts were terminated is the primary input and is unobservable. The insurance contracts are therefore classified as Level 3 investments.

The following table provides the estimated pension benefit payments that are payable from the plans to participants as of December 31, 2019 for the following years:

<table>
<thead>
<tr>
<th>Year</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>$677</td>
</tr>
<tr>
<td>2021</td>
<td>550</td>
</tr>
<tr>
<td>2022</td>
<td>707</td>
</tr>
<tr>
<td>2023</td>
<td>851</td>
</tr>
<tr>
<td>2024</td>
<td>829</td>
</tr>
<tr>
<td>2025 to 2029</td>
<td>4,943</td>
</tr>
<tr>
<td>Total</td>
<td>$8,557</td>
</tr>
</tbody>
</table>

Based on the current status of our defined benefit obligations, we expect to make payments in the amount of $401 to fund these plans in 2020. However, this estimate may change based on future regulatory changes.
Note 14: Debt

The following is a summary of the Company’s debt:

<table>
<thead>
<tr>
<th>Type</th>
<th>Maturity</th>
<th>Effective Interest Rate</th>
<th>Carrying Value</th>
<th>December 31, 2019</th>
<th>Effective Interest Rate</th>
<th>Carrying Value</th>
<th>December 31, 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Senior Secured Notes (2026)</td>
<td>2026</td>
<td>4.500%</td>
<td>$700,000</td>
<td>—</td>
<td>—%</td>
<td>—$</td>
<td>—</td>
</tr>
<tr>
<td>Senior Unsecured Notes (2024)</td>
<td>2024</td>
<td>—%</td>
<td>—</td>
<td>7.875%</td>
<td>500,000</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Term Loan Facility (2026)</td>
<td>2026</td>
<td>5.049%</td>
<td>900,000</td>
<td>—</td>
<td>—%</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Term Loan Facility (2023)</td>
<td>2023</td>
<td>—%</td>
<td>—</td>
<td>5.729%</td>
<td>1,483,993</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>The Revolving Credit Facility</td>
<td>2024</td>
<td>5.049%</td>
<td>65,000</td>
<td>—</td>
<td>—%</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>The Revolving Credit Facility</td>
<td>2021</td>
<td>—%</td>
<td>—</td>
<td>5.754%</td>
<td>5,000</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>The Revolving Credit Facility</td>
<td>2021</td>
<td>—%</td>
<td>—</td>
<td>5.729%</td>
<td>40,000</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Total debt outstanding</td>
<td></td>
<td></td>
<td>1,665,000</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>2,028,993</td>
</tr>
<tr>
<td>Debt issuance costs</td>
<td></td>
<td></td>
<td>(25,205)</td>
<td>(34,838)</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Term Loan Facility, discount</td>
<td></td>
<td></td>
<td>(2,184)</td>
<td>(3,633)</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Short-term debt, including current portion of long-term debt</td>
<td></td>
<td></td>
<td>(9,000)</td>
<td>(60,345)</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Long-term debt, net of current portion and debt issuance costs</td>
<td></td>
<td></td>
<td>$1,628,611</td>
<td>$1,930,177</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
</tbody>
</table>

The loans were priced at market terms and collectively have a weighted average interest rate and term of 4.818% and 6.259% for the year ended December 31, 2019 and 2018, respectively.

**Financing Transactions**

**Senior Secured Notes due 2026**

On October 31, 2019, we closed a private placement offering of $700,000 in aggregate principal amount of Senior Secured Notes (“Notes”) due 2026 bearing interest at 4.50% per annum, payable semi-annually to holders of record in May and November. The first interest payment will be made May 2020. The Notes due 2026 were issued by Camelot Finance S.A., an indirect wholly-owned subsidiary of Clarivate, and are secured on a first-lien pari passu basis with borrowings under the Credit Facilities. These Notes are guaranteed on a joint and several basis by certain Clarivate subsidiaries. The Notes will be general senior secured obligations of the Issuer and will be secured on a first-priority basis by the collateral now owned or hereafter acquired by the Issuer and each of the Guarantors that secures the Issuer’s and such Guarantor’s obligations under the New Senior Credit Facility (subject to permitted liens and other exceptions).

We used the net proceeds from the offering of the Notes due 2026, together with proceeds from the $900,000 Term Loan Facility and a $250,000 Revolving Credit Facility with a $40,000 letter of credit sublimit, collectively the “Credit Facilities” discussed below to, among other things, redeem the 7.875% senior notes due 2024 issued by Camelot Finance S.A. (“Prior Notes”) in full, refinance all amounts outstanding under the $175,000 revolving credit facility which was governed by the credit agreement dated as of October 3, 2016 (“Prior Revolving Credit Facility”) and the $1,550,000 term loan facility (“Prior Term Loan Facility”), collectively the “Prior Credit Facilities”, fund in full the TRA Termination Payment pursuant to the TRA Buyout Agreement and pay fees and expenses related to the foregoing. We redeemed the Prior Notes at a fixed price of 103.938%, plus accrued and unpaid interest to the date of the purchase. The total loss on the extinguishment of debt, including the transactions noted below, was $3,179.
The Notes are subject to redemption as a result of certain changes in tax laws or treaties of (or their interpretation by) a relevant taxing jurisdiction at 100% of the principal amount, plus accrued and unpaid interest to the date of redemption, and upon certain changes in control at 101% of the principal amount, plus accrued and unpaid interest to the date of purchase. Additionally, at the Company’s election the Notes may be redeemed (i) prior to November 1, 2022 at a redemption price equal to 100% of the aggregate principal amount of Notes being redeemed plus a “make-whole” premium, plus accrued and unpaid interest to the date of redemption or (ii) prior to November 1, 2022, the Company may use funds in an aggregate amount not exceeding the net cash proceeds of one or more specified equity offerings to redeem up to 40% of the aggregate principal amount of the Notes at a redemption price equal to 104.500% of the aggregate principal amount of the Notes being redeemed, plus accrued and unpaid interest and additional amounts to the date of redemption provided that at least 50% of the original aggregate principal amount of the Notes issued on the Closing Date remains outstanding after the redemption (or all Notes are redeemed substantially concurrently) and the redemption occurs within 120 days of the date of the closing of such equity offering or (iii) on November 1, 2022 of each of the years referenced below based on the call premiums listed below, plus accrued and unpaid interest to the date of redemption.

<table>
<thead>
<tr>
<th>Period</th>
<th>Redemption Price (as a percentage of principal)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2022</td>
<td>102.250%</td>
</tr>
<tr>
<td>2023</td>
<td>101.125%</td>
</tr>
<tr>
<td>2024 and thereafter</td>
<td>100.000%</td>
</tr>
</tbody>
</table>

The Indenture governing the senior secured notes due 2026 contains covenants which, among other things, limit the incurrence of additional indebtedness (including acquired indebtedness), issuance of certain preferred stock, the payment of dividends, making restricted payments and investments, the purchase or acquisition or retirement for value of any equity interests, the provision of loans or advances to restricted subsidiaries, the sale or lease or transfer of any properties to any restricted subsidiaries, the transfer or sale of assets, and the creation of certain liens. As of December 31, 2019, we were in compliance with the indenture covenants.

Credit Facilities

On October 31, 2019, we entered into the Credit Facilities. The Credit Facilities consist of a $900,000 Term Loan Facility, which was fully drawn at closing, and a $250,000 Revolving Credit Facility with a $40,000 letter of credit sublimit, which was undrawn at closing. The Revolving Credit Facility carries an interest rate at LIBOR plus 3.25% per annum or Prime plus a margin of 2.25% per annum, as applicable depending on the borrowing, and matures on October 31, 2024. The Revolving Credit Facility interest rate margins will decrease upon the achievement of certain first lien net leverage ratios (as the term is used in the Credit Agreement). The Term Loan Facility matures on October 31, 2026. Principal repayments under the Term Loan Facility are due quarterly in an amount equal to 0.25% of the aggregate outstanding principal amount thereof on October 31, 2019 and on the maturity date, in an amount equal to the aggregate outstanding principal amount on such date, together in each case, with accrued and unpaid interest. The Prior Credit facility and Prior Notes were replaced by the Credit Facility and Notes. $41,980 of old unamortized discount and fees were written off as part of the restructuring, and of the new costs incurred under the Credit Facility and the Notes, $17 was expensed and $25,818 was deferred.

Borrowings under the Credit Facility bear interest at a floating rate which can be, at our option, either (i) a Eurocurrency rate plus an applicable margin or (ii) an alternate base rate (equal to the highest of (i) the rate which Bank of America, N.A. announces as its prime lending rate, (ii) the Federal Funds Effective Rate plus one-half of 1.00% and (iii) the Eurocurrency rate for an interest period of one month for loans denominated in dollars plus 1.00% plus an applicable margin, in either case, subject to a Eurocurrency rate floor of 0.00%. Commencing with the last day of the first full quarter ending after the closing date of the Credit Facilities, the Term Loan Facility will amortize in equal quarterly installments in an amount equal to 1.00% per annum of the original par principal amount thereof, with the remaining balance due at final maturity.
The Credit Facilities are secured by substantially all of our assets and the assets of all of our U.S. restricted subsidiaries and certain of our non-U.S. subsidiaries, including those that are or may be borrowers or guarantors under the Credit Facilities, subject to customary exceptions. The Credit Agreement governing the Credit Facilities contains customary events of default and restrictive covenants that limit us from, among other things, incurring additional indebtedness, issuing preferred stock, making certain restricted payments and investments, certain transfers or sales of assets, entering into certain affiliate transactions or incurring certain liens.

The Credit Facilities provide that, upon the occurrence of certain events of default, our obligations thereunder may be accelerated and the lending commitments terminated. Such events of default include payment defaults to the lenders, material inaccuracies of representations and warranties, covenant defaults, cross-defaults to other material indebtedness (including the senior secured notes due 2026), voluntary and involuntary bankruptcy proceedings, material money judgments, loss of perfection over a material portion of collateral, material ERISA/pension plan events, certain change of control events and other customary events of default, in each case subject to threshold, notice and grace period provisions.

The Revolving Credit Facility provides for revolving loans, same-day borrowings and letters of credit pursuant to commitments in an aggregate principal amount of $250,000 with a letter of credit sublimit of $40,000. Proceeds of loans made under the Revolving Credit Facility may be borrowed, repaid and reborrowed prior to the maturity of the Revolving Credit Facility. Our ability to draw under the Revolving Credit Facility or issue letters of credit thereunder will be conditioned upon, among other things, delivery of required notices, accuracy of the representations and warranties contained in the Credit Agreement and the absence of any default or event of default under the Credit Agreement.

With respect to the Credit Facilities, the Company may be subject to certain negative covenants, including either a fixed charge coverage ratio, total first lien net leverage ratio, or total net leverage ratio if certain conditions are met. These conditions were not met and the Company was not required to perform these covenants as of December 31, 2019.

The obligations of the borrowers under the Credit Agreement are guaranteed by UK Holdco and certain of its restricted subsidiaries and are collateralized by substantially all of UK Holdco’s and certain of its restricted subsidiaries’ assets (with customary exceptions described in the Credit Agreement). UK Holdco and its restricted subsidiaries are subject to certain covenants including restrictions on UK Holdco’s ability to pay dividends, incur indebtedness, grant a lien over its assets, merge or consolidate, make investments, or make payments to affiliates.

As of December 31, 2019, letters of credit totaling $3,918 were collateralized by the Revolving Credit Facility. Notwithstanding the Revolving Credit Facility, as of December 31, 2019 the Company had an unsecured corporate guarantee outstanding for $9,646 and cash collateralized letters of credit totaling $37, all of which were not collateralized by the Revolving Credit Facility. The Company borrowed $65,000 and $45,000 against the Revolving Credit Facility as of December 31, 2019 and 2018, respectively, to support current operations. The Company’s cash from operations is expected to meet repayment needs for the next twelve months.
Amounts due under all of the outstanding borrowings as of December 31, 2019 for the next five years are as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>9,000</td>
</tr>
<tr>
<td>2021</td>
<td>9,000</td>
</tr>
<tr>
<td>2022</td>
<td>9,000</td>
</tr>
<tr>
<td>2023</td>
<td>9,000</td>
</tr>
<tr>
<td>2024</td>
<td>74,000</td>
</tr>
<tr>
<td>Thereafter</td>
<td>1,555,000</td>
</tr>
</tbody>
</table>

Total maturities: $1,665,000
Less: capitalized debt issuance costs and original issue discount: (27,389)
Total debt outstanding as of December 31, 2019: $1,637,611
Note 15: Revenue

Disaggregated Revenues

The tables below show the Company’s disaggregated revenue for the periods presented:

<table>
<thead>
<tr>
<th>Year ended December 31,</th>
<th>2019</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Subscription revenues</td>
<td>$805,518</td>
<td>$794,097</td>
<td>$785,717</td>
</tr>
<tr>
<td>Transactional revenues</td>
<td>$169,265</td>
<td>$177,523</td>
<td>$181,590</td>
</tr>
<tr>
<td>Total revenues, gross</td>
<td>974,783</td>
<td>971,620</td>
<td>967,307</td>
</tr>
<tr>
<td>Deferred revenues adjustment&lt;sup&gt;(1)&lt;/sup&gt;</td>
<td>(438)</td>
<td>(3,152)</td>
<td>(49,673)</td>
</tr>
<tr>
<td>Total Revenues, net</td>
<td>$974,345</td>
<td>$968,468</td>
<td>$917,634</td>
</tr>
</tbody>
</table>

<sup>(1)</sup> This accounting adjustment relates to the 2016 Transaction, which included a revaluation of deferred revenues to account for the difference in value between the customer advances retained by the Company upon the consummation of the 2016 Transaction and our outstanding performance obligations related to those advances.

Cost to Obtain a Contract

The Company has prepaid sales commissions included in both Prepaid expenses and Other non-current assets on the balance sheets. The amount of prepaid sales commissions included in Prepaid expenses was $12,387 and $10,407 as of December 31, 2019 and 2018, respectively. The amount of prepaid sales commissions included in Other non-current assets was $11,620 and $9,493 as of December 31, 2019 and 2018, respectively. The Company has not recorded any impairments against these prepaid sales commissions.

Contract Balances

<table>
<thead>
<tr>
<th></th>
<th>Accounts receivable, net</th>
<th>Current portion of deferred revenues</th>
<th>Non-current portion of deferred revenues</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opening (1/1/2019)</td>
<td>$331,295</td>
<td>$391,102</td>
<td>$17,112</td>
</tr>
<tr>
<td>Closing (12/31/2019)</td>
<td>333,858</td>
<td>407,325</td>
<td>19,723</td>
</tr>
<tr>
<td>(Increase)/decrease</td>
<td>($2,563)</td>
<td>($16,223)</td>
<td>($2,611)</td>
</tr>
<tr>
<td>Opening (1/1/2018)</td>
<td>$317,808</td>
<td>$361,260</td>
<td>$15,796</td>
</tr>
<tr>
<td>Closing (12/31/2018)</td>
<td>331,295</td>
<td>391,102</td>
<td>17,112</td>
</tr>
<tr>
<td>(Increase)/decrease</td>
<td>($13,487)</td>
<td>($29,842)</td>
<td>($1,316)</td>
</tr>
<tr>
<td>Opening (1/1/2017)</td>
<td>$361,586</td>
<td>$333,944</td>
<td>$18,602</td>
</tr>
<tr>
<td>Closing (12/31/2017)</td>
<td>317,808</td>
<td>361,260</td>
<td>15,796</td>
</tr>
<tr>
<td>(Increase)/decrease</td>
<td>$43,778</td>
<td>($27,316)</td>
<td>$2,806</td>
</tr>
</tbody>
</table>

The amounts of revenue recognized in the period that were included in the opening deferred revenues balances were $391,102, $361,260, and $333,944, for years ended 2019, 2018, and 2017, respectively. This revenue consists primarily of subscription revenue.
Transaction Price Allocated to the Remaining Performance Obligation

As of December 31, 2019, approximately $63,100 of revenue is expected to be recognized in the future from remaining performance obligations, excluding contracts with durations of one year or less. The Company expects to recognize revenue on approximately 65.8% of these performance obligations over the next 12 months. Of the remaining 34.2%, 22.1% is expected to be recognized within the following year, with the final 12.1% expected to be recognized within years three to 10.

Note 16: Shareholders’ Equity

Shareholders’ Equity

Pre-2019 Transaction

In March 2017, the Company formed the Management Incentive Plan under which certain employees of the Company may be eligible to purchase shares of the Company. In exchange for each share purchase subscription, the purchaser is entitled to a fully vested right to an ordinary share. Additionally, along with a subscription, employees receive a corresponding number of options to acquire additional ordinary shares subject to five year vesting. See Note 17 – “Employment and Compensation Arrangements” for additional detail related to the options. The Company received net subscriptions for 198,602 shares during the year ended December 31, 2018. There were no share subscriptions received prior to or following the close of the 2019 Transaction as of December 31, 2019.

Post-2019 Transaction

Immediately prior to the closing of the 2019 Transaction, there were 87,749,999 shares of Churchill common stock issued and outstanding, consisting of (i) 68,999,999 public shares (Class A) and (ii) 18,750,000 founder shares (Class B). On May 13, 2019, in connection with the 2019 Transaction, all of the Class B common stock converted into Class A common stock of the post-combination company on a one-for-one basis, and effect the reclassification and conversion of all of the Class A common stock and Class B common stock into a single class of common stock of Clarivate Analytics PLC. One stockholder elected to have one share redeemed in connection with the 2019 Transaction.

In June 2019, the Company formed the 2019 Incentive Award Plan under which employees of the Company may be eligible to purchase shares of the Company. See Note 17 – “Employment and Compensation Arrangements” for additional detail related to the 2019 Incentive Award Plan. In exchange for each share subscription purchased, the purchaser is entitled to a fully vested right to an ordinary share. At December 31, 2019 there were unlimited shares of common stock authorized, and 306,874,115 shares issued and outstanding, with a par value of $0.00. The Company did not hold any shares as treasury shares as of December 31, 2019 or December 31, 2018. The Company’s common stockholders are entitled to one vote per share.
Warrants

Upon consummation of the 2019 Transaction, the Company has warrants outstanding to purchase an aggregate of 52,800,000 ordinary shares. Each outstanding whole warrant of Churchill represents the right to purchase one ordinary share of the Company in lieu of one share of Churchill common stock upon closing of the 2019 Transaction at a price of $11.50 per share, subject to adjustment as discussed below, at any time commencing upon the later of (i) 30 days after the completion of the 2019 Transaction and (ii) September 11, 2019. The holder does not have the right to exercise the Warrants to the extent that they would beneficially own in excess of 4.9% or 9.8% (as specified by the holder) of the shares of common stock outstanding immediately after giving effect to such exercise. As of December 31, 2019, 100,114 warrants had been exercised.

Merger Shares

Upon consummation of the 2019 Transaction, there were 7,000,000 ordinary shares of Clarivate that are issuable to persons designated by Messrs. Stead and Klein, including themselves, if the last sale price of Clarivate’s ordinary shares is at least $20.00 for 40 days over a 60 consecutive trading day period on or before the sixth anniversary of the closing of the 2019 Transaction. On January 31, 2020, our Board agreed to waive this performance vesting condition, and all such merger shares are expected to be issued to persons designated by Messrs. Stead and Klein on or prior to December 31, 2020.
Note 17: Employment and Compensation Arrangements

Employee Incentive Plans

Prior to the 2019 Transaction, the Company operated under its 2016 Equity Incentive Plan, which provided for certain employees of the Company to be eligible to participate in equity ownership in the Company. On May 8, 2019, in anticipation of the 2019 Transaction, the Board adopted the 2019 Incentive Award Plan, which was an amendment, restatement and continuation of the 2016 Equity Incentive Plan. Upon closing of the 2019 Transaction, awards under the 2016 Equity Incentive Plan were converted using the exchange ratio established during the 2019 Transaction and assumed into the 2019 Incentive Award Plan (See Note 4 – “Business Combinations”). The 2019 Incentive Award Plan permits the granting of awards in the form of incentive stock options, non-qualified stock options, share appreciation rights, restricted shares, restricted share units and other stock-based or cash based awards. Equity awards may be issued in the form of restricted shares or restricted share units with dividend rights or dividend equivalent rights subject to vesting terms and conditions specified in individual award agreements. The Company’s Management Incentive Plan provides for employees of the Company to be eligible to purchase shares of the Company. See Note 16 – “Shareholders’ Equity” for additional information.

A maximum aggregate amount of 60,000,000 ordinary shares are reserved for issuance under the 2019 Incentive Award Plan. Equity awards under the 2019 Incentive Award Plan may be issued in the form of options to purchase shares of the Company which are exercisable upon the occurrence of conditions specified within individual award agreements. As of December 31, 2019 and 2018, 37,302,599 and 35,475,302, respectively, awards have not been granted.

Total share-based compensation expense included in the Consolidated Statements of Operations amounted to $51,383, $13,715, and $17,663 for the years ended December 31, 2019, 2018, and 2017, respectively. The total associated tax benefits recognized amounted to $751, $2,740, and $3,192 for the years ended December 31, 2019, 2018, and 2017, respectively.

The Company’s Management Incentive Plan provides for certain employees of the Company to be eligible to purchase shares of the Company. See Note 16 – “Shareholders’ Equity” for additional information. Along with each subscription, employees may receive a corresponding number of options to acquire additional ordinary shares subject to five year vesting.

As of December 31, 2019 and 2018, there was $6,873 and $19,637, respectively, of total unrecognized compensation cost, related to outstanding stock options, which is expected to be recognized through 2024 with a remaining weighted-average service period of 2.6 years.
Stock Options

The Company’s stock option activity is summarized below:

<table>
<thead>
<tr>
<th>Number of Options</th>
<th>Weighted Average Exercise Price per Share</th>
<th>Weighted Average Remaining Contractual Life</th>
<th>Aggregate Intrinsic Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Outstanding as of December 31, 2018</td>
<td>185,601</td>
<td>$1,587.00</td>
<td>8.5</td>
</tr>
<tr>
<td>2019 Transaction Related Modified options</td>
<td>24,339,097</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Balance at December 31, 2018, as modified</td>
<td>24,524,698</td>
<td>12.44</td>
<td>8.5</td>
</tr>
<tr>
<td>Granted</td>
<td>2,321,348</td>
<td>17.55</td>
<td>7.7</td>
</tr>
<tr>
<td>Expired</td>
<td>(463,919)</td>
<td>11.47</td>
<td>—</td>
</tr>
<tr>
<td>Forfeited</td>
<td>(2,840,539)</td>
<td>12.97</td>
<td>—</td>
</tr>
<tr>
<td>Modified</td>
<td>(244,829)</td>
<td>13.36</td>
<td>—</td>
</tr>
<tr>
<td>Exercised</td>
<td>(2,416,534)</td>
<td>11.12</td>
<td>7.0</td>
</tr>
<tr>
<td>Outstanding as of December 31, 2019</td>
<td>20,880,225</td>
<td>$12.18</td>
<td>7.3</td>
</tr>
<tr>
<td>Granted</td>
<td>2,321,348</td>
<td>17.55</td>
<td>7.7</td>
</tr>
<tr>
<td>Exercised</td>
<td>(2,416,534)</td>
<td>11.12</td>
<td>7.0</td>
</tr>
</tbody>
</table>

As noted above, options issued and outstanding under the 2016 Equity Incentive Plan prior to the 2019 Transaction were converted to options under the 2019 Incentive Award Plan through the Exchange Ratio established in the 2019 Transaction (See Note 4 – “Business Combinations”). The 24,339,097 of options modified in the above table represent this share conversion. The Company did not recognize any additional expense for the modification of shares related to the 2019 Transaction. The terms to certain stock option awards were amended, and the Company recognized $11,640 of Share-based compensation expense related to the incremental increase in fair value of the amended awards in the year ending December 31, 2019.

The aggregate intrinsic value in the table above represents the difference between the Company’s most recent valuation and the exercise price of each in-the-money option on the last day of the period presented. As of December 31, 2019, 2,416,534 stock options were exercised. No stock options were exercised in the years ended December 31, 2018. The total intrinsic value of stock options exercised during the year ended December 31, 2019 was approximately $25,123.

The Company accounts for awards issued under the 2019 Incentive Award Plan as additional contributions to equity. Share-based compensation includes expense associated with stock option grants which is estimated based on the grant date fair value of the award issued. Share-based compensation expense related to stock options is recognized over the vesting period of the award which is generally five years, on a graded-scale basis. The weighted-average fair value of options granted per share was $2.94 and $1.87 as of December 31, 2019 and 2018, respectively.

The Company uses the Black-Scholes option pricing model to estimate the fair value of options granted. The Black-Scholes model takes into account the fair value of an ordinary share and the contractual and expected term of the stock option, expected volatility, dividend yield, and risk-free interest rate. Prior to becoming a public company, the fair value of the Company’s ordinary shares were determined utilizing an external third-party pricing specialist.

The contractual term of the option ranges from the one year to 10 years. Expected volatility is the average volatility over the expected terms of comparable public entities from the same industry. The risk-free interest rate is based on a treasury rate with a remaining term similar to the contractual term of the option. The Company is recently formed and at this time does not expect to distribute any dividends. The Company recognizes forfeitures as they occur.
The assumptions used to value the Company’s options granted during the period presented and their expected lives were as follows:

<table>
<thead>
<tr>
<th></th>
<th>December 31, 2019</th>
<th>December 31, 2018</th>
<th>December 31, 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Weighted-average expected dividend yield</td>
<td>—%</td>
<td>—%</td>
<td>—%</td>
</tr>
<tr>
<td>Expected volatility</td>
<td>19.52 - 20.26%</td>
<td>21.00 - 23.05%</td>
<td>24.84% - 27.90%</td>
</tr>
<tr>
<td>Weighted-average expected volatility</td>
<td>19.87%</td>
<td>21.86%</td>
<td>27.50%</td>
</tr>
<tr>
<td>Weighted-average risk-free interest rate</td>
<td>2.43%</td>
<td>3.02%</td>
<td>2.53%</td>
</tr>
<tr>
<td>Expected life (in years)</td>
<td>7.3</td>
<td>8.5</td>
<td>9.0</td>
</tr>
</tbody>
</table>

Restricted Stock Units (“RSUs”)

RSUs typically vest from one to three years and are generally subject to either cliff vesting or graded vesting. RSUs do not have nonforfeitable rights to dividends or dividend equivalents. The fair value of RSUs is typically based on the fair value of our common shares on the date of grant. We amortize the value of these awards to expense over the vesting period on a graded-scale basis. The Company recognizes forfeitures as they occur.

The total fair value of RSUs that vested during the year ended December 31, 2019 was $544.

2019 Transaction Related Awards

The Sponsor Agreement provided that certain ordinary shares of Clarivate available for distribution to persons designated in the Sponsor Agreement in connection with the 2019 Transaction, and certain Clarivate warrants available for distribution to such persons, in each case, were subject to certain time and performance-based vesting provisions described below. In addition, the sponsor agreement provided that the merger shares were granted and are issuable to persons designated by Messrs. Stead and Klein, including themselves, in accordance with the terms in the sponsor agreement. See Note 16 – “Shareholders’ Equity” for details on the respective awards.

The vesting conditions added to certain ordinary shares include the following:

5,309,713 ordinary shares of Clarivate held by persons designated in the Sponsor Agreement, will vest in three equal annual installments on the first, second and third anniversaries of the closing of the 2019 Transaction, respectively, and are not contingent on continuing or future service of the respective holders to the Company.

2,654,856 ordinary shares of Clarivate held by such persons will vest at such time as the last sale price of Clarivate’s ordinary shares is at least $15.25 on or before the date that is 42 months after the closing of the 2019 Transaction; provided that none of such Clarivate ordinary shares will vest prior to the first anniversary of the closing of the 2019 Transaction, not more than 1/3 of such Clarivate warrants will vest prior to the second anniversary of the closing of the 2019 Transaction, and not more than 2/3 of such Clarivate warrants will vest prior to the third anniversary of the closing of the 2019 Transaction. Further, such vesting is not contingent on continuing or future service of the respective holders to the Company.

2,654,856 ordinary shares of Clarivate held by such persons will vest at such time as the last sale price of Clarivate’s ordinary shares is at least $17.50 on or before the fifth anniversary of the closing of the 2019 Transaction; provided that none of such Clarivate ordinary shares will vest prior to the first anniversary of the closing of the 2019 Transaction, not more than 1/3 of such Clarivate warrants will vest prior to the second anniversary of the closing of the 2019 Transaction, and not more than 2/3 of such Clarivate warrants will vest prior to the third anniversary of the closing of the 2019 Transaction. Further, such vesting is not contingent on continuing or future service of the respective holders to the Company.
The vesting conditions added to certain warrants include the following:

17,265,826 of certain warrants held by persons designated in the Sponsor Agreement, will vest at such time as the last sale price of Clarivate’s ordinary shares is at least $17.50 on or before the fifth anniversary of the closing of the 2019 Transaction; provided that none of such Clarivate warrants will vest prior to the first anniversary of the closing of the 2019 Transaction, not more than 1/3 of such Clarivate warrants will vest prior to the second anniversary of the closing of the 2019 Transaction, and not more than 2/3 of such Clarivate warrants will vest prior to the third anniversary of the closing of the 2019 Transaction. Further, such vesting is not contingent on continuing or future service of the respective holders to the Company.

In considering the terms of the transaction related awards, the Company notes that the time based vesting restrictions were not conditioned on any continuing or future service of the holders to the Company, and reflect “lock-up” periods of the issuable shares. Further, the above mentioned performance-based restrictions were considered market conditions pursuant to ASC 718, and are contemplated in the value of the awards. As such vesting restrictions were contemplated in conjunction with the granting of the merger shares (See Note 16 – “Shareholders’ Equity”), the Company considered such terms of the total basket of transaction awards in determination of the fair value of the awards. As no continued or future service was required by the holders of such awards, the Company recognized compensation expense in the second quarter based on the fair value of such awards upon closing of the 2019 Transaction. The Company recognized $25,013 expense, net in Share-based compensation expense as of the date of the 2019 Transaction in accordance with the issuance of the merger shares offset by the addition of vesting terms to certain ordinary shares and warrants, as described above. The expense included the increases in value of $48,102 for the granting of merger shares, the increase in value of $1,193 for ordinary shares with only time vesting conditions, and the increase in value of shares purchased by the Founders immediately prior to the transaction of $4,411, all offset by the reduction in value of $9,396 for ordinary shares with performance vesting condition of $15.25, the reduction in value of $13,101 for ordinary shares with performance vesting condition of $17.50 and the reduction in value of $6,297 related to warrants. Pursuant to the Sponsor Agreement, certain founders of Churchill Capital Corp purchased an aggregate of 1,500,000 shares of Class B common stock of Churchill immediately prior to the closing of the 2019 Transaction for an aggregate purchase price of $15,000.

We used a third-party specialist to fair value the awards at the 2019 Transaction close date of May 13, 2019 using the Monte Carlo simulation approach. The assumptions included in the model include, but are not limited to, risk-free interest rate, 2.20%; expected volatility of the Company’s and the peer group’s stock prices, 20.00%; and dividend yield, 0.00%. A discount for lack or marketability (“DLOM”) was applied to shares that are subject to remaining post vesting lock up restrictions. The DLOM was between 3% - 7% dependent on the length of the post vesting restriction period.

On August 14, 2019, Clarivate (on its behalf and on behalf of its subsidiaries) agreed to waive the performance and time vesting conditions, described above, subject to the consummation of the secondary offering. These shares and warrants nevertheless remain subject to a lock-up for a period ranging from two to three years following the closing of the Mergers. We used a third-party specialist to fair value the awards at the modification date using the Monte Carlo simulation approach. The assumptions included in the model include, but are not limited to, risk-free interest rate, 1.42%; expected volatility of the Company’s and the peer group’s stock prices, 20.00%; and dividend yield, 0.00%. A discount for lack or marketability (“DLOM”) was applied to shares that are subject to remaining post vesting lock up restrictions. The DLOM was between 3% - 7% dependent on the length of the post vesting restriction period. Waiving the performance and time vesting conditions resulted in an immaterial impact to the Consolidated Statements of Operations.

In accordance with the terms of the sponsor agreement and in connection with our merger with Churchill in 2019, the merger shares are issued to persons designated by Messrs. Stead and Klein, and such designated merger shares will be issued on or prior to December 31, 2020. The Company has evaluated and recorded additional stock compensation expense as required upon the assignment of merger shares as applicable.
Note 18: Income Taxes

Income tax (benefit)/expense on income/(loss) analyzed by jurisdiction is as follows:

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>U.K.</td>
<td>$677</td>
<td>$1,014</td>
<td>$(142)</td>
</tr>
<tr>
<td>U.S. Federal</td>
<td>6,917</td>
<td>6,395</td>
<td>5,202</td>
</tr>
<tr>
<td>U.S. State</td>
<td>988</td>
<td>2,146</td>
<td>833</td>
</tr>
<tr>
<td>Other</td>
<td>9,959</td>
<td>11,061</td>
<td>8,552</td>
</tr>
<tr>
<td><strong>Total current</strong></td>
<td>18,541</td>
<td>20,616</td>
<td>14,445</td>
</tr>
<tr>
<td><strong>Deferred</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>U.K.</td>
<td>—</td>
<td>85</td>
<td>(427)</td>
</tr>
<tr>
<td>U.S. Federal</td>
<td>(824)</td>
<td>(5,465)</td>
<td>(10,648)</td>
</tr>
<tr>
<td>U.S. State</td>
<td>(223)</td>
<td>(227)</td>
<td>(142)</td>
</tr>
<tr>
<td>Other</td>
<td>(7,293)</td>
<td>(9,360)</td>
<td>(24,521)</td>
</tr>
<tr>
<td><strong>Total deferred</strong></td>
<td>(8,340)</td>
<td>(14,967)</td>
<td>(35,738)</td>
</tr>
<tr>
<td><strong>Total provision (benefit) for income taxes</strong></td>
<td>$10,201</td>
<td>$5,649</td>
<td>$(21,295)</td>
</tr>
</tbody>
</table>

The components of pre-tax loss are as follows:

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.K. loss</td>
<td>$199,032</td>
<td>$(222,043)</td>
<td>$(211,944)</td>
</tr>
<tr>
<td>U.S. income (loss)</td>
<td>3,733</td>
<td>(11,880)</td>
<td>(58,054)</td>
</tr>
<tr>
<td>Other loss</td>
<td>(5,477)</td>
<td>(2,590)</td>
<td>(15,225)</td>
</tr>
<tr>
<td><strong>Pre-tax loss</strong></td>
<td>$200,776</td>
<td>$(236,513)</td>
<td>$(285,223)</td>
</tr>
</tbody>
</table>
A reconciliation of the statutory U.K. income tax rate to the Company’s effective tax rate is as follows:

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loss before tax:</td>
<td>$ (200,776)</td>
<td>$ (236,513)</td>
<td>$ (285,223)</td>
</tr>
<tr>
<td>Income tax, at statutory rate</td>
<td>10,201</td>
<td>5,649</td>
<td>(54,905)</td>
</tr>
<tr>
<td>Statutory rate(1)</td>
<td>19.0%</td>
<td>19.0%</td>
<td>19.3%</td>
</tr>
<tr>
<td>Effect of different tax rates</td>
<td>(4.4)%</td>
<td>(1.2)%</td>
<td>3.3%</td>
</tr>
<tr>
<td>BEAT</td>
<td>(1.2)%</td>
<td>—%</td>
<td>—%</td>
</tr>
<tr>
<td>Tax rate modifications(2)</td>
<td>—%</td>
<td>—%</td>
<td>5.7%</td>
</tr>
<tr>
<td>Valuation Allowances</td>
<td>(17.8)%</td>
<td>(18.0)%</td>
<td>(20.8)%</td>
</tr>
<tr>
<td>Other permanent differences</td>
<td>(1.3)%</td>
<td>(0.7)%</td>
<td>0.3%</td>
</tr>
<tr>
<td>Non-deductible transaction costs</td>
<td>(2.1)%</td>
<td>—%</td>
<td>—%</td>
</tr>
<tr>
<td>Withholding tax</td>
<td>(0.7)%</td>
<td>(0.2)%</td>
<td>(0.3)%</td>
</tr>
<tr>
<td>Tax indemnity</td>
<td>3.7%</td>
<td>(2.7)%</td>
<td>—%</td>
</tr>
<tr>
<td>Sale of Subsidiary</td>
<td>—%</td>
<td>2.2%</td>
<td>—%</td>
</tr>
<tr>
<td>Other</td>
<td>(0.3)%</td>
<td>(0.8)%</td>
<td>—%</td>
</tr>
<tr>
<td>Effective rate</td>
<td>(5.1)%</td>
<td>(2.4)%</td>
<td>7.5%</td>
</tr>
</tbody>
</table>

(1) The Company performs a reconciliation of the income tax provisions based on its domicile and statutory rate. Reconciliations are based on the U.K. statutory corporate tax rate.
(2) Due to rate reductions in the U.S. and Belgium enacted in the 4th quarter of 2017.

The tax effects of the significant components of temporary differences giving rise to the Company’s deferred income tax assets and liabilities are as follows:

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts receivable</td>
<td>$ 1,346</td>
<td>$ 916</td>
</tr>
<tr>
<td>Accrued expenses</td>
<td>4,461</td>
<td>3,735</td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>2,679</td>
<td>3,570</td>
</tr>
<tr>
<td>Other assets</td>
<td>5,721</td>
<td>9,655</td>
</tr>
<tr>
<td>Unrealized gain/loss</td>
<td>94</td>
<td>74</td>
</tr>
<tr>
<td>Debt issuance costs</td>
<td>3,176</td>
<td>1,199</td>
</tr>
<tr>
<td>Operating losses and tax attributes</td>
<td>177,853</td>
<td>135,219</td>
</tr>
<tr>
<td>Total deferred tax assets</td>
<td>195,330</td>
<td>154,368</td>
</tr>
<tr>
<td>Valuation allowances</td>
<td>(165,157)</td>
<td>(133,856)</td>
</tr>
<tr>
<td>Net deferred tax assets</td>
<td>30,173</td>
<td>20,512</td>
</tr>
<tr>
<td>Other identifiable intangible assets, net</td>
<td>(32,834)</td>
<td>(43,247)</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>(21,012)</td>
<td>(7,785)</td>
</tr>
<tr>
<td>Goodwill</td>
<td>(4,233)</td>
<td>(42)</td>
</tr>
<tr>
<td>Fixed Assets, net</td>
<td>(1,153)</td>
<td>(238)</td>
</tr>
<tr>
<td>Total deferred tax liabilities</td>
<td>(59,232)</td>
<td>(51,312)</td>
</tr>
<tr>
<td>Net deferred tax liabilities</td>
<td>$ (29,059)</td>
<td>$ (30,800)</td>
</tr>
</tbody>
</table>

In the Consolidated Balance Sheets, deferred tax assets and liabilities are shown net if they are in the same jurisdiction. The components of the net deferred tax liabilities as reported on the Consolidated Balance Sheets are as follows:
The Tax Cuts and Jobs Act (the Act) was enacted in the US on December 22, 2017. Of most relevance to the Company, the Act reduced the US federal corporate income tax rate to 21% from 35%, established a Base Erosion Anti-Abuse Tax (“BEAT”) regime and changed the provisions limiting current interest deductions and use of NOL carryforwards. Certain new provisions are effective for the Company beginning December 1, 2018 and did not have a material impact to the 2018 financial statements.

SAB 118 measurement period

We applied the guidance in SAB 118 when accounting for the enactment-date effects of the Act in 2017 and throughout 2018. At December 31, 2017, we had not completed our accounting for all of the enactment-date income tax effects of the Act under ASC 740, Income Taxes, for the remeasurement of deferred tax assets and liabilities and recorded a provisional tax benefit amount of $2,237 under SAB 118. At December 31, 2018, we completed our accounting for all of the enactment-date income tax effects of the Act. As further discussed above, during 2018, we did not recognize any adjustments to the provisional amounts recorded at December 31, 2017.

Deferred tax assets and liabilities

As of December 31, 2017, we remeasured certain deferred tax assets and liabilities based on the rates at which they were expected to reverse in the future (which was generally 21% for the US and 25% for Belgium), by recording a tax benefit amount of $2,237 (provisional) related to the US and $14,290 related to Belgium. Upon further analysis and refinement of our calculations during the 12 months ended December 31, 2018, it was determined that no adjustment to these amounts was necessary.

The Company is required to assess the realization of its deferred tax assets and the need for a valuation allowance. The assessment requires judgment on the part of management with respect to benefits that could be realized from future taxable income. The valuation allowance is $165,157 and $133,856 at December 31, 2019 and 2018, respectively against certain deferred tax assets, as it more likely than not that such amounts will not be fully realized. During the years ended December 31, 2019 and 2018, the valuation allowance increased by $31,301 and $40,912, respectively, primarily due to operating losses in certain jurisdictions and an increase in deferred tax assets with a full valuation allowance. The increases were partially offset by the release of valuation allowances in jurisdictions with current year operating income.

The Company has not provided income taxes and withholding taxes on the undistributed earnings of foreign subsidiaries as of December 31, 2019 because the Company has determined that the amount of such taxes would not be significant. The Company is not permanently reinvesting its foreign earnings offshore.

### Deferred tax asset and liability reconciliation

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deferred tax asset</td>
<td>$19,488</td>
<td>$12,426</td>
</tr>
<tr>
<td>Deferred tax liability</td>
<td>$(48,547)</td>
<td>$(43,226)</td>
</tr>
<tr>
<td>Net deferred tax liability</td>
<td>$(29,059)</td>
<td>$(30,800)</td>
</tr>
</tbody>
</table>
Deferred Tax Valuation Allowance

The following table shows the change in the deferred tax valuation as follows:

<table>
<thead>
<tr>
<th></th>
<th>December 31,</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2019</td>
<td>2018</td>
<td>2017</td>
</tr>
<tr>
<td>Beginning Balance, January 1</td>
<td>$133,856</td>
<td>$92,944</td>
<td>$47,185</td>
</tr>
<tr>
<td>Change Charged to Expense/(Income)</td>
<td>30,854</td>
<td>41,629</td>
<td>44,790</td>
</tr>
<tr>
<td>Change Charged to CTA</td>
<td>447</td>
<td>381</td>
<td>713</td>
</tr>
<tr>
<td>Change Charged to OCI</td>
<td>(1,098)</td>
<td>(256)</td>
<td></td>
</tr>
<tr>
<td><strong>Ending Balance, December 31</strong></td>
<td><strong>$165,157</strong></td>
<td><strong>$133,856</strong></td>
<td><strong>$92,944</strong></td>
</tr>
</tbody>
</table>

Uncertain Tax Positions

Unrecognized tax benefits represent the difference between the tax benefits that we are able to recognize for financial reporting purposes and the tax benefits that we have recognized or expect to recognize in filed tax returns. The total amount of net unrecognized tax benefits that, if recognized, would impact the Company’s effective tax rate were $1,145 and $1,450 as of December 31, 2019 and 2018, respectively.

The Company recognizes accrued interest and penalties associated with uncertain tax positions as part of the tax provision. As of December 31, 2019, the interest and penalties are $354 and as of December 31, 2018, the interest and penalties are $449. It is reasonably possible that the amount of unrecognized tax benefits will change during the next 12 months by a range of $291 to $453.

The Company files income tax returns in the United Kingdom, the United States, and various other jurisdictions. As of December 31, 2019, the Company’s open tax years subject to examination were 2015 through 2019, which includes the Company’s major jurisdictions in the United Kingdom and the United States.

The following table summarizes the Company’s unrecognized tax benefits, excluding interest and penalties:

<table>
<thead>
<tr>
<th></th>
<th>December 31,</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2019</td>
<td>2018</td>
<td>2017</td>
</tr>
<tr>
<td>Balance at the Beginning of the year</td>
<td>$1,450</td>
<td>$91</td>
<td>211</td>
</tr>
<tr>
<td>Increases for tax positions taken in prior years</td>
<td>—</td>
<td>1,339</td>
<td>—</td>
</tr>
<tr>
<td>Increases for tax positions taken in the current year</td>
<td>412</td>
<td>72</td>
<td>—</td>
</tr>
<tr>
<td>Decreases due to statute expirations</td>
<td>—</td>
<td>(52)</td>
<td>(120)</td>
</tr>
<tr>
<td>Decrease due to payment</td>
<td>(717)</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td><strong>Balance at the End of the year</strong></td>
<td><strong>$1,145</strong></td>
<td><strong>$1,450</strong></td>
<td><strong>$91</strong></td>
</tr>
</tbody>
</table>
Note 19: Earnings per Share

Potential common shares of 80,873,293, 24,524,698, and 22,554,740 of Private Placement Warrants, Public Warrants, Merger Shares, and options and Restricted Stock Units related to the Incentive Award Plan were excluded from diluted EPS for the years ended December 31, 2019, 2018, and 2017, respectively, as the Company had net losses and their inclusion would be anti-dilutive. See Note 16 — “Shareholders” Equity” and Note 17 — “Employment and Compensation Arrangements” for a description.

The 2019 Transaction was accounted for as a reverse recapitalization in accordance with U.S. GAAP. See Note 4 – “Business Combinations”. Accordingly, weighted-average shares outstanding for purposes of the EPS calculation have been retroactively recasted as shares reflecting the exchange ratio established in the 2019 Transaction (1.0 Jersey share to 132.13667 Clarivate shares).

The basic and diluted EPS computations for our common stock are calculated as follows (in thousands, except share and per share amounts):

<table>
<thead>
<tr>
<th>Basic/Diluted EPS</th>
<th>2019</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loss available to common stockholders</td>
<td>$(210,977)</td>
<td>$(242,162)</td>
<td>$(263,930)</td>
</tr>
<tr>
<td>Basic and diluted weighted-average number of common shares outstanding</td>
<td>273,883,342</td>
<td>217,472,870</td>
<td>216,848,866</td>
</tr>
<tr>
<td>Basic and diluted EPS</td>
<td>$(0.77)</td>
<td>$(1.11)</td>
<td>$(1.22)</td>
</tr>
</tbody>
</table>

Note 20: Tax Receivable Agreement

At the completion of the 2019 Transaction, we recorded an initial liability of $264,600 payable to the pre-business combination equity holders under the TRA, representing approximately 85% of the calculated tax savings based on the portion of the Covered Tax Assets we anticipate being able to utilize in future years. Based on current projections of taxable income, and before deduction of any specially allocated depreciation and amortization, we anticipated having enough taxable income to utilize a significant portion of these specially allocated deductions related to the original Covered Tax Assets (as defined in the TRA). Total payments related to the TRA could be up to a maximum of $507,326 if all Covered Tax Assets are utilized. TRA payments were expected to commence in 2021 (with respect to taxable periods ending in 2019) and would have been subject to deferral, at the Company’s election, for payment amounts in excess of $30,000 for payments to be made in 2021 and 2022, but would not be subject to deferral thereafter.

The projection of future taxable income involves significant judgment. Actual taxable income may differ from our estimates, which could significantly impact the liability under the TRA. We have determined it is more-likely-than-not we will be unable to utilize all of our deferred tax assets (“DTAs”) subject to the TRA; therefore, we have not recorded a liability under the TRA related to the tax savings we may realize from the utilization of NOL carryforwards and the amortization related to basis adjustments created by the Transaction. If utilization of these DTAs becomes more-likely-than-not in the future, at such time, we will record liabilities under the TRA of up to an additional $134,377 as a result of basis adjustments under the Internal Revenue Code and up to an additional $108,350 related to the utilization of NOL and credit carryforwards, which will be recorded through charges to our statements of operations. However, if the tax attributes are not utilized in future years, it is possible no amounts would be paid under the TRA. In this scenario, the reduction of the liability under the TRA would result in a benefit to our statements of operations.
On August 21, 2019, the Company entered into a Buyout Agreement among the Company and Onex Partners IV LP (“TRA Buyout Agreement”), pursuant to which all future payment obligations of the Company under the Tax Receivable Agreement would terminate in exchange for a payment of $200,000 (the “TRA Termination Payment”), which the Company paid on November 7, 2019 with a portion of the net proceeds from the Refinancing 2019 Transaction. As a result of the payment, a gain was recorded to shareholders equity of $64,600. As of December 31, 2019, our liability under the TRA was $0.

Note 21: Product and Geographic Sales Information

The Company’s chief operating decision maker (“CODM”) assesses Company-wide performance and allocates resources based on consolidated financial information. As such, the company has one operating and reportable segment. The CODM evaluates performance based on profitability.

No single customer accounted for more than 1% of revenues and our ten largest customers represented only 5%, 6%, and 7% of revenues for the years ended December 31, 2019, 2018, and 2017 respectively. Revenues recognized in the U.S. represented 43%, 37%, and 42% of revenues for the years ended December 31, 2019, 2018, and 2017, respectively and no other country accounted for more than 10% of revenues.

Revenue by geography

The following table summarizes revenue from external customers by geography, which is based on the location of the customer:

<table>
<thead>
<tr>
<th>Revenue:</th>
<th>2019</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Americas</td>
<td>$463,041</td>
<td>$475,897</td>
<td>$476,729</td>
</tr>
<tr>
<td>Europe/Middle East/Africa</td>
<td>278,738</td>
<td>273,744</td>
<td>273,706</td>
</tr>
<tr>
<td>APAC</td>
<td>233,004</td>
<td>221,979</td>
<td>216,872</td>
</tr>
<tr>
<td>Deferred revenues adjustment</td>
<td>(438)</td>
<td>(3,152)</td>
<td>(49,673)</td>
</tr>
<tr>
<td>Total</td>
<td>$974,345</td>
<td>$968,468</td>
<td>$917,634</td>
</tr>
</tbody>
</table>

Assets by geography

Assets are allocated based on operations and physical location. The following table summarizes non-current assets other than financial instruments, operating lease right-of-use assets and deferred tax assets by geography:

<table>
<thead>
<tr>
<th>Assets:</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Americas</td>
<td>$992,469</td>
<td>$1,037,852</td>
</tr>
<tr>
<td>Europe/Middle East/Africa</td>
<td>2,099,777</td>
<td>2,145,950</td>
</tr>
<tr>
<td>APAC</td>
<td>101,113</td>
<td>101,191</td>
</tr>
<tr>
<td>Total</td>
<td>$3,193,359</td>
<td>$3,284,993</td>
</tr>
</tbody>
</table>

135
Revenue by product group

The following table summarizes revenue by product group (in thousands):

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Web of Science Product Line</td>
<td>$380,299</td>
<td>$361,957</td>
<td>$352,995</td>
</tr>
<tr>
<td>Life Sciences Product Line</td>
<td>167,243</td>
<td>165,920</td>
<td>165,995</td>
</tr>
<tr>
<td>Science Group</td>
<td>547,542</td>
<td>527,877</td>
<td>518,990</td>
</tr>
<tr>
<td>Derwent Product Line</td>
<td>181,949</td>
<td>179,321</td>
<td>176,201</td>
</tr>
<tr>
<td>MarkMonitor Product Line</td>
<td>122,841</td>
<td>122,947</td>
<td>120,408</td>
</tr>
<tr>
<td>CompuMark Product Line</td>
<td>122,451</td>
<td>121,025</td>
<td>119,854</td>
</tr>
<tr>
<td>Intellectual Property Group</td>
<td>427,241</td>
<td>423,293</td>
<td>416,463</td>
</tr>
<tr>
<td>IP Management Product Line</td>
<td>—</td>
<td>20,450</td>
<td>31,854</td>
</tr>
<tr>
<td>Deferred revenue adjustment</td>
<td>(438)</td>
<td>(3,152)</td>
<td>(49,673)</td>
</tr>
<tr>
<td>Total</td>
<td>$974,345</td>
<td>$968,468</td>
<td>$917,634</td>
</tr>
</tbody>
</table>

Note 22: Commitments and Contingencies

The Company does not have any recorded or unrecorded guarantees of the indebtedness of others.

Contingencies

Lawsuits and Legal Claims

The Company is engaged in various legal proceedings, claims, audits and investigations that have arisen in the ordinary course of business. These matters include, but are not limited to, antitrust/competition claims, intellectual property infringement claims, employment matters and commercial matters. The outcome of all of the matters against the Company is subject to future resolution, including the uncertainties of litigation. Based on information currently known to the Company and after consultation with outside legal counsel, management believes that the ultimate resolution of any such matters, individually or in the aggregate, will not have a material impact on the Company’s financial condition taken as a whole.

Contingent Liabilities

In conjunction with the acquisition of Publons, the Company agreed to pay former shareholders up to an additional $9,500 through 2020. Amounts payable are contingent upon Publons’ achievement of certain milestones and performance metrics. The Company paid $2,371 and $2,470 of the contingent purchase price in the year ended December 31, 2019 and 2018, respectively, as a result of Publons achieving the first tier of milestones and performance metrics. The Company had an outstanding liability for $3,100 related to the estimated fair value of this contingent consideration as of December 31, 2019 and 2018, respectively. The outstanding balance consisted of $3,100 and $1,600 included in Accrued expenses and other current liabilities, and $0 and $1,360 included in Other non-current liabilities in the Consolidated Balance Sheets as of December 31, 2019 and 2018 respectively.

In conjunction with the acquisition of Kopernio, the Company agreed to pay former shareholders up to an additional $3,500 through 2021. Amounts payable are contingent upon Kopernio’s achievement of certain milestones and performance metrics and will be recognized over the concurrent service period.
In conjunction with the acquisition of TrademarkVision, the Company agreed to pay former shareholders a potential earn-out dependent upon achievement of certain milestones and financial performance metrics through 2020. Amounts payable are contingent upon TrademarkVision’s achievement of certain milestones and performance metrics. As of December 31, 2019 and 2018, the Company had an outstanding liability for $8,000 and $4,115, respectively, related to the estimated fair value of this contingent consideration. The outstanding balance was included in Accrued expenses and other current liabilities as of December 31, 2019, and in Other non-current liabilities as of December 31, 2018, in the Consolidated Balance Sheets.

Tax Indemnity

In connection with the 2016 Transaction, the Company recorded certain tax indemnification assets pursuant to the terms of the separation and indemnified liabilities identified therein. As a result of counterparty dispute related to certain of the indemnification claims, the Company wrote off $33,819 during the 4th quarter of 2018, which represented a portion of the amount originally recorded, plus accumulated foreign currency impacts. Management continues to interpret the contractual obligation due from Former Parent and its controlled entities (“Thomson Reuters”) as due in full. The asset write down was recorded within Other operating income (expense), net within the Consolidated Statement of Operations.

Legal Settlement

In September 2019, the Company settled a confidential claim that resulted in a gain. The net gain was recorded in Legal settlement within the Condensed Consolidated Statement of Operations during the year ended December 31, 2019.

Commitments

Unconditional purchase obligations

Purchase obligations are defined as agreements to purchase goods or services that are enforceable and legally binding and that specify all significant terms, including fixed or minimum quantities to be purchased, fixed, minimum or variable pricing provisions and the approximate timing of the transactions. The Company has various purchase obligations for materials, supplies, outsourcing and other services contracted in the ordinary course of business. These items are not recognized as liabilities in our Consolidated Financial Statements but are required to be disclosed. The contractual terms of these purchase obligations extend through 2022. The Company paid $32,231 towards these purchase obligations during the year ended December 31, 2019.

The future unconditional purchase obligations as of December 31, 2019 are as follows:

<table>
<thead>
<tr>
<th>Year ended December 31</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>37,332</td>
</tr>
<tr>
<td>2021</td>
<td>10,186</td>
</tr>
<tr>
<td>2022</td>
<td>558</td>
</tr>
<tr>
<td>2023</td>
<td>—</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$48,076</strong></td>
</tr>
</tbody>
</table>

Note 23: Related Party and Former Parent Transactions

Onex Partners Advisor LP (“Onex”), an affiliate of the Company, is considered a related party. Concurrent with the 2016 Transaction, the Company entered into a Consulting Services Agreement with Onex, pursuant to which the Company is provided certain ongoing strategic and financing consulting services in exchange for a quarterly management fee. In connection with this agreement, the Company recognized $470, $920, and $1,230 in operating expenses related to this agreement for the year ended December 31, 2019, 2018, and 2017, respectively. The Company pays 0.1% interest per annum to Onex for the Credit Agreement. For the year ended December 31, 2019, 2018 and 2017, the Company recognized interest expense, for Onex related interest, of $327, $905 and $1,557, respectively. The Company had an outstanding liability of $3 and $450 to Onex as of December 31, 2019 and 2018, respectively. In addition, the Company paid Onex a management fee of $5,400 in connection with the 2019 Transaction in the second quarter of 2019. See Note 4 – “Business Combinations” for additional information.
BPEA, an affiliate of the Company, is considered a related party. Concurrently with the 2016 Transaction, the Company entered into a Management Services Agreement with Baring, pursuant to which the Company is provided certain ongoing strategic and financing consulting services. In connection with this agreement, the Company recognized $246, $669, and $854 in operating expenses related to this agreement for the years ended December 31, 2019, 2018 and 2017, respectively. The Company had an outstanding liability of $0 and $334 to Baring as of December 31, 2019 and 2018, respectively. In addition, the Company paid BPEA a management fee of $2,100 in connection with the 2019 Transaction in the second quarter of 2019. See Note 4 – “Business Combinations” for additional information.

In connection with the 2016 Transaction, Bidco and a subsidiary of the Former Parent entered into the Transition Service Agreement, which became effective on October 3, 2016, pursuant to which such subsidiary of the Former Parent will, or will cause its affiliates and/or third-party service providers to, provide Bidco, its affiliates and/or third-party service providers with certain technology, facilities management, human resources, sourcing, financial, accounting, data management, marketing and other services to support the operation of the IP&S business as an independent company. Such services are provided by such subsidiary of the Former Parent or its affiliates and/or third-party service providers for various time periods and at various costs based upon the terms set forth in the Transition Service Agreement.

A controlled affiliate of Baring is a vendor of ours. Total payments to this vendor were $765, $531 and $388 for the years ended December 31, 2019, 2018 and 2017, respectively. The Company had an outstanding liability of $160, $120 and $199 as of December 31, 2019, 2018 and 2017, respectively.

Jerre Stead, Chief Executive Officer of the Company, is the Co-founder of a vendor of ours. Total payments to this vendor were $756 for the year ended December 31, 2019 and the Company had an outstanding liability of $10 as of December 31, 2019. This vendor was not a related party in 2018 and 2017.

A former member of our key management is the Co-founder of a vendor of ours. Total payments to this vendor were $278 and $865 for the year ended December 31, 2019 and 2018, respectively. The Company had an outstanding liability of $0 and $332 as of December 31, 2019 and 2018, respectively. This vendor was not a related party in 2017.

In connection with our acquisition of Publons, we paid a $716 consulting fee to a former board member and company executive for the year ended December 31, 2017.

Note 24: Restructuring

In accordance with the applicable guidance for ASC 420, Exit or Disposal Cost Obligations, we accounted for termination benefits and recognized liabilities when the loss was considered probable that employees were entitled to benefits and the amounts could be reasonably estimated. We have incurred costs in connection with involuntary termination benefits associated with our corporate-related initiatives and cost-saving opportunities. These amounts are recorded within Restructuring in the Consolidated Statements of Operations. The payments associated with these actions are expected to be completed within 12 months from the balance sheet date.

The following table summarizes the activity related to the restructuring reserves and expenses for the years ended December 31, 2019 and 2018:
Restructuring charges incurred during 2019 included actions to reduce operational costs. Components of the pre-tax charges include $13,959 in severance costs incurred during the year ended December 31, 2019.

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance as of December 31, 2018</td>
<td>$—</td>
</tr>
<tr>
<td>Expenses recorded</td>
<td>15,670</td>
</tr>
<tr>
<td>Payments made</td>
<td>(6,323)</td>
</tr>
<tr>
<td>Foreign currency translation</td>
<td>159</td>
</tr>
<tr>
<td>Balance as of December 31, 2019</td>
<td>$9,506</td>
</tr>
</tbody>
</table>
Note 25: Quarterly Financial Data (Unaudited)

The following table summarizes the Company’s unaudited quarterly results of operations:

<table>
<thead>
<tr>
<th></th>
<th>First Quarter</th>
<th>Second Quarter</th>
<th>Third Quarter</th>
<th>Fourth Quarter</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>$234,025</td>
<td>$242,309</td>
<td>$242,998</td>
<td>$255,013</td>
</tr>
<tr>
<td>Income (loss) from operations</td>
<td>$(25,919)</td>
<td>$(36,581)</td>
<td>$35,844</td>
<td>$(16,431)</td>
</tr>
<tr>
<td>Net income (loss)</td>
<td>$(59,260)</td>
<td>$(77,761)</td>
<td>$10,831</td>
<td>$(84,787)</td>
</tr>
<tr>
<td>Earnings per share:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Basic</td>
<td>$(0.27)</td>
<td>$(0.29)</td>
<td>$0.04</td>
<td>$(0.28)</td>
</tr>
<tr>
<td>Diluted</td>
<td>$(0.27)</td>
<td>$(0.29)</td>
<td>$0.03</td>
<td>$(0.28)</td>
</tr>
</tbody>
</table>

In September 2019, the Company settled a confidential claim that resulted in a gain of $39,399. The net gain was recorded in Legal settlement within the Interim Condensed Consolidated Statement of Operations during the three months ended September 30, 2019 and the year ended December 31, 2019.

Note 26: Subsequent Events

On January 1, 2020, the Company completed the sale of certain assets and liabilities of the MarkMonitor business to OpSec Security for a total purchase price of $3,751. At December 31, 2019 the assets and liabilities related to the divestment met the criteria for classification as Assets Held for Sale on the Company’s balance sheet. An impairment charge of $18,431 was recognized in the Statement of Operations during the fourth quarter to reduce the Assets Held for Sale to their fair value. Accordingly, we do not expect to record a gain or loss on the divestiture in the first quarter of 2020. Of the total impairment charge, $17,967 related to the write down of intangible assets and $468 to the write down of goodwill. After impairment, Current Assets of $2,274 and Long Term Assets of $28,345 were reclassified to Current Assets Held for Sale, while Current Liabilities of $21,170 and Long Term Liabilities of $5,698 were reclassified to Current Liabilities Held For Sale.

On January 17, 2020, the Company announced that it had signed a definitive agreement to acquire Decision Resources Group (“DRG”), a premier provider of high-value data, analytics and insights products and services to the healthcare industry, from Piramal Enterprises Limited, part of global business conglomerate Piramal Group. The acquisition closed on February 28, 2020. The aggregate consideration paid in connection with the closing of the DRG acquisition was approximately $950,000, comprised of $900,000 in cash paid on the closing date and approximately $50,000 in Clarivate ordinary shares to be issued to Piramal Enterprises Limited following the one-year anniversary of closing.
In February 2020, the Company consummated a public offering of 27,600,000 ordinary shares at $20.25 per share. After this offering, Onex and Baring continue to beneficially own approximately 38.3% of the Company’s ordinary shares, representing approximately 59.3% of the ordinary shares beneficially owned by Onex and Baring immediately after the closing of our merger with Churchill Capital Corp in 2019. We received $540,736 in net proceeds from the sale of ordinary shares, after deducting $18,164 underwriting discounts. We used the net proceeds to fund a portion of the cash consideration for the DRG Acquisition and to pay related fees and expenses.

On February 12, 2020, the Company made a repayment of $65,000 on the Revolving Credit Facility. The $250,000 Revolving Credit Facility remains undrawn subsequent to the pay down.

On February 28, 2020, we incurred an incremental $360,000 of term loans under our term loan facility and used the net proceeds from such borrowings, together with cash on hand, to fund a portion of the cash consideration for the DRG acquisition and to pay related fees and expenses.

During the period January 1, 2020 through February 21, 2020, 24,132,666 of the Company’s outstanding warrants were exercised for one ordinary share per whole warrant at a price of $11.50 per share. We used a portion of the total proceeds of $277,526 from the warrant exercises to fund a portion of the cash consideration for the DRG Acquisition and intend to use the balance for general business purposes.

On February 20, 2020, we announced the redemption of all of our outstanding public warrants to purchase our ordinary shares that were issued as part of the units sold in the Churchill Capital Corp initial public offering and remain outstanding at 5:00 p.m. New York City time on March 23, 2020, for a redemption price of $0.01 per public warrant. In addition, our board of directors elected that, upon delivery of the notice of the redemption on February 20, 2020, all public warrants are to be exercised only on a “cashless basis.” Accordingly, by virtue of the cashless exercise of public warrants, exercising public warrant holders will receive 0.4626 of an ordinary share for each public warrant. Assuming all outstanding public warrants called for redemption on March 23, 2020 are exercised prior to redemption, an additional 4,749,616 ordinary shares would be issued.
Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

Item 9A. Controls and Procedures

Disclosure Controls and Procedures

We maintain “disclosure controls and procedures,” as defined in Rule 13a-15(e) and Rule 15d-15(e) under the Exchange Act, which are designed to provide reasonable assurance that information required to be disclosed in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC’s rules and forms and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures as of December 31, 2019. Based on the evaluation of our disclosure controls and procedures as of December 31, 2019, our Chief Executive Officer and Chief Financial Officer concluded that, as of such date, our disclosure controls and procedures were effective.

Management's Report on Internal Control Over Financial Reporting

This annual report does not include a report of management’s assessment regarding internal control over financial reporting due to a transition period established by rules of the SEC for newly public companies. This annual report does not include an attestation report of the Company’s registered public accounting firm as the Company qualifies as an emerging growth company as of December 31, 2019.

Remediation of Prior Material Weakness

As discussed in our annual report on Form 20-F for the fiscal year ended December 31, 2018, our management concluded that our internal control over financial reporting was not effective as of December 31, 2018 as a result of a material weakness related to the internal control over the effectiveness of our design and implementation of account reconciliation activities. Management identified the people, process and technology necessary to strengthen our internal control over financial reporting and to address the material weakness. We began implementing certain of these measures in the fourth quarter of 2018 and continued to develop remediation plans and implemented additional measures throughout 2019. We have remediated the material weakness through the following:

- Reviewed the accounting organization to ensure an appropriate organization and skills to sustain the remedial actions. This included performing training to enhance knowledge and skills of the finance team and hiring of additional skilled resources, as appropriate.
- Performed a comprehensive review of the Company’s account reconciliation process including controls to ensure the processes and controls are adequately designed, clearly documented and appropriately communicated to enhance control ownership throughout the finance organization.
- Evaluated and designed controls to address the completeness and accuracy of data used in account reconciliations, primarily associated with spreadsheets and other key reports.
- Implemented a new system to automate manual processes, to document and monitor adherence to standardized processes and controls.
- Reviewed and updated accounting policies to ensure they address the Company’s current environment.
Management has completed its design, documentation, and testing and evaluation of the updated internal controls and determined that, as of December 31, 2019, the controls were designed and operating effectively and have been operating effectively for a sufficient period to conclude, and management has concluded that the material weakness has been remediated.

Changes in Internal Control Over Financial Reporting

There were no changes in internal control over financial reporting during the three month period ending December 31, 2019 that have materially affected or are reasonably likely to materially affect, the Company's internal control over financial reporting.
Item 9B. Other Information

Iran Threat Reduction And Syria Human Rights Act Disclosure

Pursuant to Section 219 of the Iran Threat Reduction and Syria Human Rights Act of 2012, which amended the Securities Exchange Act of 1934, an issuer is required to disclose in its annual or quarterly reports, as applicable, whether, during the reporting period, it or any of its affiliates knowingly engaged in certain activities, transactions or dealings relating to Iran or with individuals or entities designated pursuant to certain Executive Orders. Disclosure is generally required even where the activities, transactions or dealings were conducted in compliance with applicable laws and regulations.

During the reporting period, the Company sold access to information and informational materials, which are generally exempt from U.S. economic sanctions, to 3 entities that are part of, or may be owned or controlled by, the Government of Iran. We were advised by counsel that these transactions were permissible under U.S. sanctions pursuant to certain statutory and regulatory exemptions for the exportation of information and informational materials. The Company terminated this activity in October 2019 and does not intend to resume it.

Revenue in the reporting period attributable to the transactions or dealings by the Company described above was approximately $700 and the company incurred no expenses related to these transactions. As such, the net profit of these transactions is approximately $700.

PART III

Item 10. Directors, Executive Officers and Corporate Governance

As of February 17, 2020, our board of directors and executive officers are as follows:

<table>
<thead>
<tr>
<th>Name</th>
<th>Age</th>
<th>Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jerre Stead</td>
<td>77</td>
<td>Executive Chairman and Chief Executive Officer</td>
</tr>
<tr>
<td>Sheryl von Blucher</td>
<td>58</td>
<td>Director</td>
</tr>
<tr>
<td>Martin Broughton</td>
<td>72</td>
<td>Director</td>
</tr>
<tr>
<td>Kosty Gilis</td>
<td>46</td>
<td>Director</td>
</tr>
<tr>
<td>Balakrishnan S. Iyer</td>
<td>63</td>
<td>Director</td>
</tr>
<tr>
<td>Michael Klein</td>
<td>56</td>
<td>Director</td>
</tr>
<tr>
<td>Nicholas Macksey</td>
<td>40</td>
<td>Director</td>
</tr>
<tr>
<td>Karen G. Mills</td>
<td>66</td>
<td>Director</td>
</tr>
<tr>
<td>Charles E. Moran</td>
<td>65</td>
<td>Director</td>
</tr>
<tr>
<td>Amir Motamedi</td>
<td>39</td>
<td>Director</td>
</tr>
<tr>
<td>Anthony Munk</td>
<td>59</td>
<td>Director</td>
</tr>
<tr>
<td>Charles J. Neral</td>
<td>61</td>
<td>Director</td>
</tr>
<tr>
<td>Matthew Scattarella</td>
<td>38</td>
<td>Director</td>
</tr>
<tr>
<td>Mukhtar Ahmed</td>
<td>52</td>
<td>President, Science Group</td>
</tr>
<tr>
<td>Richard Hanks</td>
<td>55</td>
<td>Chief Financial Officer</td>
</tr>
<tr>
<td>Stephen Hartman</td>
<td>50</td>
<td>General Counsel and Global Head of Corporate</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Development</td>
</tr>
<tr>
<td>Jeff Roy</td>
<td>51</td>
<td>President, IP Group</td>
</tr>
</tbody>
</table>

Jerre Stead has been Chief Executive Officer of the Company since June 30, 2019 and Executive Chairman of our board since May 13, 2019. Mr. Stead served as Chairman and Chief Executive Officer of IHS Markit Ltd., a world leader in critical information, analytics and solutions, from its formation in 2016 through 2017 and as Executive Chairman of its predecessor company, IHS Inc., from 2000 through 2016 and as both Chairman and Chief Executive Officer from 2015 through 2016 and from 2006 through 2013. Mr. Stead previously served as Co-Chief Executive Officer of DTN LLC, which provides services in relation to the delivery of weather, agricultural, energy and commodity market information from 2017 to 2018 and also previously served as its Executive Chairman. Mr. Stead previously served as Chairman and CEO of Ingram Micro from 1996 to 2000 and as Chairman and CEO of Legent Corporation in 1995. Mr. Stead has also previously served as Chairman and CEO of Honeywell-Phillips Medical Electronics, Chairman and CEO of Square D Company and Chairman and CEO of AT&T Global Information Solutions. Mr. Stead has served on over 30 corporate boards during his career and in 2017 received the B. Kenneth West Lifetime Achievement Award from the National Association of Corporate Directors. Mr. Stead is a graduate of the University of Iowa, where he earned a bachelor’s degree in business administration, and of the Harvard University Advanced Management Program in Switzerland. Mr. Stead was selected to serve on the board of directors due to his significant experience leading and growing companies in information services.
Sheryl von Blucher has been a member of our board since May 13, 2019. Ms. von Blucher has over 30 years of experience in a variety of roles in the global integrated energy, information services, technology services and software, and public and non-profit sectors. She has led strategic and portfolio planning, operations, and corporate finance and development for both domestic and international organizations. Ms. von Blucher served as Co-Chief Executive Officer of DTN LLC from 2017 to 2018. Prior to this, she joined IHS in 2000 as Senior Vice President of Planning and Corporate Development, and then served as an Advisor to the Chairman & CEO of the company from 2007 through 2017. Ms. von Blucher has also worked in private-equity portfolio management as a partner and managing director for the JMJS Group, a private equity partnership. Ms. von Blucher currently serves on the Board of Directors of Washington Prime Group, Inc.; Capital Canyon Club and Golf Development LLC; and on the Board of Trustees for the not-for-profit Guideposts. Ms. von Blucher holds a bachelor’s degree from Rice University and a master’s degree from Harvard University. Ms. von Blucher was selected to serve on the board of directors due to her significant experience as a senior executive in information services.

Sir Martin Broughton has been a member of our board since May 13, 2019. Sir Martin is the Chairman of Supponer, a company specializing in augmented digital reality technologies for real-time broadcasting of sporting events and streaming of in-venue advertising, which he joined in 2019. Sir Martin served as Deputy Chairman of International Consolidated Airlines Group from 2011 to 2016 as well as Chairman of British Airways from 2004 to 2013. He joined Sports Investment Partners in 2010, and currently serves as Chairman of Sports Investment Partners. He served as Chairman of British American Tobacco Company from 1997 to 2004 after having served in various roles at the company since 1971. Sir Martin was Chairman of Liverpool Football Club in 2010 and also served as President of the Confederation of British Industry from 2008 to 2010. Sir Martin was selected to serve on the board due to his significant business, investment and leadership experience.

Kosty Gilis has been a member of our board since October 2016 and Clarivate’s board since its formation in January 2019. Mr. Gilis is a Managing Director of Onex. Since joining Onex in 2004, Mr. Gilis has worked on numerous private equity transactions including the acquisitions and realizations of Allison Transmission and Tomkins plc, as well as the acquisitions of Emerald Expositions, WireCo Worldgroup and SMG. He currently also serves on the Board of Emerald Expositions Events, Inc. and ASM Global, and previously served on the boards of Allison Transmission Holdings, Inc., Gates Global Inc. and WireCo Worldgroup Inc. Prior to joining Onex, Mr. Gilis was a Vice President at Willis Stein & Partners, a Chicago-based private equity firm and was a management consultant at Bain & Company in Toronto, Canada and Johannesburg, South Africa. Mr. Gilis is a graduate of The Wharton School of the University of Pennsylvania, where he earned a B.S. in Economics, and Harvard Business School, where he earned an MBA. Mr. Gilis was selected to serve on the board of directors due to his significant experience in a variety of financing transactions and business services investments.
Balakrishnan S. Iyer has been a member of our board since May 13, 2019. Mr. Iyer served as a Board member of IHS Markit Ltd. (previously IHS Inc.) from 2003 to 2019. Mr. Iyer also has served on the Board of Directors of Skyworks Solutions Inc. since 2002 and Power Integrations, Inc. since 2004. Previously, Mr. Iyer was Senior Vice President and Chief Financial Officer of Conexant Systems, Inc. from 1998 to 2003. He held various leadership positions at VLSI Technology Inc., including Senior Vice President and Chief Financial Officer from 1997 to 1998 and Vice President, Corporate Controller from 1993 to 1997. Mr. Iyer served on the Board of Directors of Conexant Systems from 2002 to 2011. Life Technologies (and its predecessor Invitrogen) from 2001 to 2014 and QLogic Corporation from 2003 to 2016. Mr. Iyer holds a B.Tech in Mechanical Engineering from the Indian Institute of Technology, Madras, an MS in Industrial Engineering from the University of California, Berkeley and an MBA in Finance from the Wharton School of the University of Pennsylvania. Mr. Iyer was selected to serve on the board of directors due to his significant financial and corporate governance experience in information services.

Michael Klein has been a member of our board since May 13, 2019. Mr. Klein currently serves as a Director for Credit Suisse Group AG and Credit Suisse AG. Mr. Klein is the founder and managing partner of M. Klein and Company, LLC, which he founded in 2012. M. Klein and Company, LLC is a global strategic advisory firm that provides its clients a variety of advice tailored to their objectives. Mr. Klein is a strategic advisor to global companies, boards of directors, senior executives, governments and institutional investors. Mr. Klein’s background in strategic advisory work was built during his 30-year career, including more than two decades at Citi and its predecessors, during which he initiated and executed strategic advisory transactions. He began his career as an investment banker in the M&A Advisory Group at Salomon Smith Barney and subsequently became Chairman and Co-Chief Executive Officer of Citi Markets and Banking, with responsibilities for global corporate and investment banking and Global Transaction Services across Citi. Mr. Klein is a graduate of The Wharton School of the University of Pennsylvania, where he earned his Bachelors of Science in Economics with concentrations in finance and accounting. Mr. Klein was selected to serve on the board of directors due to his significant investment banking and advisory experience, including for companies in information services.

Nicholas Macksey has been a member of our board since October 2016. Mr. Macksey is a Managing Director of BPEA. Since joining BPEA in 2006, Mr. Macksey has worked on numerous private equity transactions. These transactions include Courts Asia Limited, Nord Anglia Education Inc., Vistra Group Limited, SAI Global Limited, Giant Interactive Group Inc. Prior to joining Baring Mr. Macksey was a Senior Associate at Westpac Institutional Bank. Mr. Macksey graduated with a Bachelor of Commerce and a Bachelor of Economics from the University of Queensland and is also a CFA charter holder. Mr. Macksey was selected to serve on the board due to his significant investment and business services experience.

Karen G. Mills has been a member of our board since May 13, 2019. Ms. Mills is currently a Senior Fellow at Harvard Business School and Harvard Kennedy School, focusing on technology, U.S. competitiveness, and entrepreneurship. Ms. Mills was a member of President Barack Obama’s Cabinet, serving as the Administrator of the U.S. Small Business Administration from 2009 to 2013. She is President of MMP Group, which invests in financial services, consumer products and technology solutions businesses. Prior to this, Ms. Mills held leadership positions in the private sector, including as a partner in several private equity firms. Ms. Mills is Vice Chair of the immigration services company Envoy Global and a past director of Arrow Electronics and Scotts Miracle-Gro. She also serves as a director of the National Bureau of Economic Research (NBER) and as a member of the Harvard Corporation. Ms. Mills holds an AB in economics from Harvard University and an MBA from Harvard Business School. Ms. Mills was selected to serve on the board of directors due to her significant experience in government, academia and investment.

Charles E. Moran has been a member of our board since November 2016. Mr. Moran is the founder and former President and Chief Executive Officer of Skillsoft Corporation, a leading global provider of cloud-based learning and talent management solutions. Mr. Moran held those positions from 1998 to 2016 and remained on as the Chairman from 2015 to 2016. From 1995 to 1997, Mr. Moran served as the President and Chief Executive Officer of NETg, a subsidiary of National Education Corporation, and a provider of computer-based training for IT professionals. From 1993 to 1994, he served as the Chief Operating Officer and Chief Financial Officer of SoftDesk, a leading architecture, engineering and construction/computer-aided design software-application company, which was acquired by Autodesk. From 1992 to 1993, he served as the President of Sytron Corp, a data management software subsidiary of Rexon, Inc. From 1989 to 1992, he was Vice President of Sales and Marketing at Insite Peripherals, a manufacturer of floppy disk drives. Prior to joining Insite Peripherals, his experience included various business management positions with Archive Corporation, Florida Data, and Hamilton-Avnet Corporation. From 2009 to 2014, Mr. Moran served on the board of directors of Higher One, Inc., a leading payment technology provider for higher education. From 1997 to 2001, he served on the board of directors of Workgroup Technology, a client/server product data management solution. Mr. Moran has also served as a member of the board of directors of Manhattan Associates, Inc. since May 2017 and Commvault since July 2018. Mr. Moran holds a B.S. from Boston College and an MBA from Suffolk University. Mr. Moran was selected to serve on the board due to his significant business and leadership experience in information services.
Amir Motamedi has been a member of our board since October 2016. Mr. Motamedi is a Managing Director of Onex. Since joining Onex in 2007, Mr. Motamedi has worked on numerous business services transactions including BBAM, Advanced Integration Technology, Emerald Expositions, ASM Global, and Ryan LLC. He currently serves on the boards of Emerald Expositions, SMG, and Ryan LLC and previously served on the board of BBAM. Prior to joining Onex, Mr. Motamedi was an analyst at Goldman Sachs. Mr. Motamedi is a graduate of McGill University where he earned Bachelor of Arts and Bachelor of Commerce degrees. Mr. Motamedi was selected to serve on the board of directors due to his significant experience in a variety of business services transactions.

Anthony Munk has been a member of our board since October 2016. Mr. Munk is a Senior Managing Director at Onex. Since joining Onex in 1988, Mr. Munk has worked on numerous private equity transactions, including the acquisitions and realizations of Husky Injection Molding Systems Ltd., RSI Home Products, Tomkins plc, Vencap Equities Alberta Ltd., Imperial Parking Ltd., ProSource Inc., and Loews Cineplex; and the initial public offering of the Cineplex Galaxy Income Fund, which acquired the Canadian operations of Loews Cineplex, Cineplex Odeon, and the operations of Onex subsidiary, Galaxy Entertainment. More recently, Mr. Munk was involved in the acquisitions by Onex of Ryan LLC, Jeld-Wen Holdings Inc., Jack’s Family Restaurants and Moran Foods, LLC (“Save-A-Lot”). Mr. Munk also currently serves on the boards of directors of Ryan LLC, Save-A-Lot, Jeld-Wen and SGS. Mr. Munk previously served on the board of directors of Barrick Gold Corporation, RSI Home Products, Husky Injection Molding Systems Ltd., Cineplex Inc., SMG, and Jack’s Family Restaurants. Prior to joining Onex, Mr. Munk was a Vice President with First Boston Corporation in London, England and an Analyst with Guardian Capital in Toronto. Mr. Munk is a graduate of Queen’s University, where he earned a bachelor’s degree in Economics. Mr. Munk was selected to serve on the board of directors due to his significant experience in a variety of strategic and financing transactions and investments.

Charles J. Neral has been a member of our board since July 2017 and also serves on the Board of Directors of SAI Global. In 2016, he founded Neral Associates, LLC which provides advisory services to public and private clients. Prior to that, from July 2012 to January 2016, Mr. Neral served as the Senior Vice President and Chief Financial Officer of SunGard. He also served as the Senior Vice President and Chief Financial Officer of SafeNet from October 2009 to June 2012. From 1981 to 2009, Mr. Neral served in a variety of positions across IBM’s Sales, Server, Global Services and Software Business lines including executive roles in Asia Pacific, IBM Corporate Headquarters and ultimately serving as the Chief Financial Executive of IBM’s Software Segment (2004 to 2009). Mr. Neral holds a B.S. in Computer Science from Indiana University of Pennsylvania and an MBA in Finance from New York University. Mr. Neral was selected to serve on the board of directors due to his significant business and advisory experience.

Matthew Scattarella has been a member of our board since May 13, 2019. Mr. Scattarella is a Principal with BPEA. Since joining BPEA in 2009, Mr. Scattarella has worked on numerous cross-border private equity transactions, including St. George’s University, Solera Holdings and Prometric Inc. Prior to joining BPEA, Mr. Scattarella worked with Golden Gate Capital and Bain & Company. Mr. Scattarella holds a Bachelor of Science in Economics and an MBA, both from the Wharton School at the University of Pennsylvania. Mr. Scattarella was selected to serve on the board due to his business and investment experience.
**Mukhtar Ahmed** has been President, Science Group of the Company since January 2019. He joined the Company in January 2018 as President of Life Sciences. Prior to joining, Mr. Ahmed served as President of eHealth Solutions at BioClinica from April 2015 to December 2017 and as Global Vice President at Oracle from November 2011 to April 2015. Prior to that, Mr. Ahmed served in senior executive positions at various multinational corporations including Parexel and Kendle International, as well as board-level positions with the National Health Service in the United Kingdom. Mr. Ahmed holds a B.Sc. (Hons) in Applied Computer Systems from Brunel University and a diploma in computing from Buckinghamshire College.

**Richard Hanks** has been the Chief Financial Officer of the Company since March 2017. Mr. Hanks served as Chief Financial Officer of BDP International from April 2013 to March 2017 and as Chief Financial Officer and an Executive Vice President of infoGROUP, Inc. from 2010 to 2013. Prior to that, Mr. Hanks served as Chief Operating Officer of Enterprise Media Group (EMG) of Dow Jones & Company Inc. from 2007 to 2010. From 1999 to 2006, Mr. Hanks served as Chief Financial Officer of Factiva, LLC. Prior to that, he served as Finance Director for the Corporate and Media Information Division of Reuters, Finance Director for the Financial Times Business Limited, Director of Operations Research and Internal Audit for SmithKline Beecham PLC and Senior Manager of Corporate Finance and Restructuring at PricewaterhouseCoopers. Mr. Hanks is a Chartered Accountant and is a graduate of the University of Nottingham, where he earned a bachelor’s degree in Industrial Economics (B.A. with Honors).

**Stephen Hartman** has been General Counsel and Global Head of Corporate Development of the Company since July 2014. Prior to that, Mr. Hartman served as Deputy General Counsel, TR Professional, General Counsel for Thomson Scientific and as Chief Counsel (EMEA) for Thomson Financial. Before joining Thomson Reuters in 2000, Mr. Hartman served as European counsel for Primark. Mr. Hartman is a graduate of the University of Nottingham.

**Jeff Roy** has been President, IP Group of the Company since September 2019. He joined the Company in September 2017 as President of CompuMark. Prior to joining the Company, Mr. Roy served as Global Head of Operations and Client Support for ICE Data Services at the Intercontinental Exchange (“ICE”) from February 2016 to September 2017. Prior to that, Mr. Roy served as Managing Director, Data Operations and Client Support for Interactive Data Inc., which was acquired by ICE in December 2015, from January 2011 to February 2016. Prior to that, Mr. Roy was the founder and CEO of Implementation Factory, Inc. Mr. Roy holds a bachelor’s degree in Banking and Finance from Hofstra University.

**Family Relationships**

There are no family relationships between any of Clarivate’s executive officers and directors.

**Audit Committee Information**

Clarivate has established an audit committee comprised of independent directors. The audit committee consists of Messrs. Neral and Iyer and Ms. Mills. Each of the members of the audit committee is independent under the applicable listing standards. The audit committee has a written charter. The purpose of the audit committee is, among other things, to appoint, retain, set compensation of, and supervise Clarivate’s independent accountants, review the results and scope of the audit and other accounting related services and review Clarivate’s accounting practices and systems of internal accounting and disclosure controls.
Financial Experts on Audit Committee

The audit committee will at all times be composed exclusively of “independent directors,” as defined for audit committee members under the NYSE listing standards and the rules and regulations of the SEC, who are “financially literate.” “Financially literate” generally means being able to read and understand fundamental financial statements, including a company’s balance sheet, income statement and cash flow statement. In addition, Clarivate is required to certify to the NYSE that the committee has, and will continue to have, at least one member who has past employment experience in finance or accounting, requisite professional certification in accounting, or other comparable experience or background that results in the individual’s financial sophistication.

Mr. Neral serves as a financial expert on the audit committee.

Compensation Committee Interlocks and Insider Participation

Our chief executive officer and executive chairman, Mr. Stead, was a member of our Compensation Committee during 2019. Mr. Stead no longer serves on our Compensation Committee as of January 1, 2020. In addition, in 2019, Mr. Stead designated Ms. von Blucher, a member of our Compensation Committee, to receive 1,800,000 Merger Shares in recognition of her founding of Churchill and in exchange for Ms. von Blucher agreeing to subject her Clarivate shares to specified transfer restrictions, see “item 13. Certain Relationships and Related Transactions, and Director Independence — Transactions Involving Related Persons.” Other than Mr. Stead and Ms. von Blucher, none of the members of the Compensation Committee were at any time during 2019, or at any other time, an officer or employee of Clarivate or had any relationship requiring disclosure under the SEC’s rules regarding related person transactions. During 2019, none of our executive officers served on the board of directors or compensation committee of a company that has an executive officer that serves on our Board of Directors or the Compensation Committee.

Code of Ethics

Clarivate has adopted a Code of Ethics that applies to all of its employees, officers, and directors. This includes Clarivate’s principal executive officer, principal financial officer, and principal accounting officer or controller, or persons performing similar functions. The full text of Clarivate’s Code of Ethics is posted on its website at www.ir.clarivate.com/Governance-Documents. Clarivate intends to disclose on its website any future amendments of the Code of Ethics or waivers that exempt any principal executive officer, principal financial officer, principal accounting officer or controller, persons performing similar functions, or Clarivate’s directors from provisions in the Code of Ethics.

Statement of Significant Differences Between our Corporate Governance Practices and NYSE Corporate Governance Standards for U.S. Issuers

Pursuant to exceptions for foreign private issuers, we are not required to comply with certain of the corporate governance practices followed by U.S. companies under NYSE listing standards. However, Section 303A.11 of the NYSE Listed Company Manual requires that we state any significant differences between our corporate governance practices and the practices required by the NYSE. In this regard, if we believe that circumstances warrant, we may elect to comply with provisions of Companies (Jersey) Law 1991 in lieu of the NYSE shareholder approval requirements applicable to certain dilutive events, such as the establishment or material amendment of certain equity-based compensation plans. In addition, our compensation committee and nominating and corporate governance committee are not subject to annual performance evaluations.

Compensation of Directors

Non-employee directors who are not employees or affiliates of Baring Private Equity Asia Pte Ltd (“Baring”) or Onex Partners Advisor LP (“Onex”) receive compensation comprised of an annual retainer for Board service, annual retainers for applicable committee service, and meeting fees. These payments are quantified in the table below.

<table>
<thead>
<tr>
<th>Director compensation</th>
<th>Amount ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Annual Retainers:</strong></td>
<td></td>
</tr>
<tr>
<td>Board of Directors</td>
<td>75,000</td>
</tr>
<tr>
<td>Audit Committee Chair</td>
<td>50,000</td>
</tr>
<tr>
<td>Risk Committee Chair</td>
<td>20,000</td>
</tr>
<tr>
<td><strong>Audit Committee</strong></td>
<td></td>
</tr>
<tr>
<td>Nominating and Governance Committee</td>
<td>15,000</td>
</tr>
<tr>
<td>Compensation Committee</td>
<td>15,000</td>
</tr>
<tr>
<td>Risk Committee</td>
<td>10,000</td>
</tr>
<tr>
<td><strong>Individual Meeting Fee</strong></td>
<td>18,750</td>
</tr>
</tbody>
</table>

Directors may elect to receive 50.0% of their annual Board retainer in shares of Clarivate stock. Directors do not receive grants of stock options or stock awards.

In addition to the fees described above, reimbursement is provided for travel, lodging and other reasonable expenses. Some of this expense reimbursement is taxable in the UK, and in those cases, the Company provides a tax gross-up so that directors would not have been responsible for paying taxes on their expense reimbursements.

The Nominating and Governance Committee periodically evaluates the compensation of our non-employee directors, with the assistance of Pay Governance, the Compensation Committee’s consultant. Pay Governance reviews director pay levels and provides analyses on where the Company is positioned relative to the Company’s compensation. The Nominating and Governance Committee may bring recommendations for adjustments to non-employee director compensation to the Board for review and approval.
The following table provides information concerning the compensation of each of our non-employee directors who received compensation during fiscal year 2019. Other than directors who elected to receive 50.0% of the annual Board retainer in shares of Clarivate stock, none of the non-employee directors received stock options, stock awards, or non-equity incentive compensation.

<table>
<thead>
<tr>
<th>Name</th>
<th>Fees earned or paid in cash ($)</th>
<th>All other compensation ($)</th>
<th>Total compensation ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Martin Broughton</td>
<td>112,500</td>
<td>--</td>
<td>112,500</td>
</tr>
<tr>
<td>Michael Klein</td>
<td>112,500</td>
<td>--</td>
<td>112,500</td>
</tr>
<tr>
<td>Balakrishnan S. Iyer</td>
<td>138,750</td>
<td>1,630</td>
<td>140,380</td>
</tr>
<tr>
<td>Charles E. Moran</td>
<td>176,250</td>
<td>34</td>
<td>176,284</td>
</tr>
<tr>
<td>Charles J. Neral</td>
<td>240,000</td>
<td>72</td>
<td>240,072</td>
</tr>
<tr>
<td>Sheryl von Blucher</td>
<td>132,346</td>
<td>5,426</td>
<td>137,772</td>
</tr>
<tr>
<td>Karen G. Mills</td>
<td>131,250</td>
<td>1,209</td>
<td>132,459</td>
</tr>
<tr>
<td>Vin Caraher</td>
<td>112,500</td>
<td>297</td>
<td>112,797</td>
</tr>
</tbody>
</table>

(1) Kosty Gilis, Anthony Munk and Amir Motamedi do not receive compensation as they are affiliates of Onex. Matthew Scattarella and Nicholas Macksey do not receive compensation as they are affiliates of Baring. Mr. Stead, who serves as our CEO, has not received any compensation for director services other than what is disclosed in the Summary Compensation Table.

(2) All other compensation was for reimbursement of UK taxes due on certain aspects of ordinary business travel considered as taxable compensation by the UK tax authorities.

(3) Mr. Iyer and Ms. Mills elected to receive half of their Board retainer fees, excluding meeting fees and committee retainers and equal to $28,125 for each, in shares of Clarivate stock. The number of shares they received was calculated by dividing $28,125 by $13.34, the closing price of our stock on May 13, 2019, the day of the first scheduled Board meeting following the Merger. Mr. Iyer and Ms. Mills each received 2,108 shares of Clarivate stock in lieu of half of their cash retainer.

(4) Messrs. Moran, Neral and Caraher were directors of Clarivate prior to the Merger and their reported fees include payments for their services prior to the Merger.

(5) Mr. Caraher’s service as a director ended on May 13, 2019 in connection with the Merger.

The Company’s Amended and Restated Memorandum of Association provides that, to the fullest extent permitted by law, the Company shall indemnify its directors and officers against any liability, action, proceeding, claim, demand, costs, damages or expenses, including legal expenses, which they may incur as a result of any act or failure to act in carrying out their functions in connection with the Company other than such liability (if any) that they may incur by reason of their own actual fraud or willful default. The Company maintains a directors’ and officers’ liability policy for the benefit of any director or officer in the event of any loss or liability the director or officer may experience in respect of any negligence, default, breach of duty or breach of trust, whether or not we may otherwise indemnify such officer or director.
Item 11. Executive Compensation

Compensation Committee Report

The Compensation Committee of the Board of Directors (the “Compensation Committee”) has reviewed and discussed with management of the Company the Compensation Discussion and Analysis. Based on this review and discussion, the Compensation Committee recommended to the Board of Directors that the Compensation Discussion and Analysis be included in the Company’s Annual Report on Form 10-K for the year ended December 31, 2019.

Compensation Committee of the Board of Directors
Kosti Gilis, Chairperson
Amir Motamed
Nicholas Macksey
Sheryl von Blucher
Jerre Stead (served on Compensation Committee in fiscal year 2019 through January 1, 2020)
Compensation Discussion and Analysis
(Amounts are Actuals, Unless Otherwise Noted)

Introduction

This Compensation Discussion and Analysis (CD&A) describes how we determine compensation provided to the executive officers whose compensation is described herein and who are referred to as named executive officers ("NEOs").

Our active NEOs are:

- Jerre Stead – Executive Chairman and Chief Executive Officer
- Richard Hanks – Chief Financial Officer
- Mukhtar Ahmed – President, Science Group
- Jeff Roy – President, Intellectual Property ("IP") Group
- Stephen Hartman – General Counsel and Global Head of Corporate Development

In addition, we will be reporting compensation for the following two former executive officers, who served during the last fiscal year: Jay Nadler, former Chief Executive Officer and Dr. Annette Thomas, former Chief Executive Officer, Scientific and Academic Research.

Executive Summary

Who We Are

We are a global leader in providing trusted insights and analytics that accelerate the pace of innovation. To achieve this, we deliver critical data, information, workflow solutions and deep domain expertise to innovators everywhere. We offer solutions that drive the entire lifecycle of innovation, including the following:

- Scientific and academic research
- Patent intelligence and compliance standards
- Pharmaceutical and biotech intelligence
- Trademark, domain and brand protection

Fiscal year 2019 reflected a transformational year for Clarivate Analytics. In May 2019, we transitioned from a private to a publicly held company through the merger of Churchill Capital Corp ("Churchill") and Clarivate Analytics Plc (the "Merger"). From a business perspective, we have made significant accomplishments in a short period, as described under "2019 Business Highlights" and "2019 Financial Results" below.

Since the Merger, we have been highly focused on building a culture of high engagement and accountability. We are moving forward with a sense of urgency and intense external curiosity about what drives success for our customers. We understand that our own success and future is inextricably linked to the success and future of the world around us, and that identifying and addressing gaps in our environmental, social and governance performance will ultimately make us more globally competitive and allow us to drive profitable growth for the long-term.

We have a vibrant, engaged workforce guided by a common mission, values and strategic goals.
Executive Compensation Disclosures

We are voluntarily providing this CD&A and the related compensation disclosure. As mentioned above, Clarivate is currently classified as a FPI, and with this classification we are not required to provide a CD&A and detailed individual compensation information for our NEOs. However, we believe it is important to provide our shareholders with transparent disclosure of our past year’s executive compensation. We have chosen not to have a say on pay vote this year, as we have not yet had time to fully implement our planned compensation programs.
Shareholder Engagement

We are subjecting ourselves to the U.S. disclosure rules to be able to engage with shareholders more effectively. In 2020, we plan to reach out to our shareholders to discuss our executive compensation and corporate governance practices as they relate to executive compensation, and we will consider our shareholders’ input as we continue to refine our executive compensation program.

2019 Business Highlights

Clarivate is the leading provider of intellectual property and scientific information. In 2019, we have accomplished the following (see “Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations – Factors Affecting the Comparability of Our Results of Operations – Our Transition to Operations as a Standalone Business”).

- Completed the separation of our business from Thomson Reuters infrastructure
- Consolidated five Product Lines into two Product Groups: the Science Group and the IP Group (Mr. Ahmed and Mr. Roy were chosen to lead the Science Group and the IP Group, respectively)
- Initiated organizational efficiency work, including headcount optimization, facilities consolidation, technology modernization, and vendor rationalization and renegotiation
- Refinanced our debt capital structure to improve the weighted average cost of debt and lower interest expense by approximately $18.0 million per year
- Completed two secondary offerings totaling 89,355,000 ordinary shares (including the underwriters’ option to purchase additional shares) held by our private equity sponsors and other shareholders
- Completed the buyout of the tax receivable agreement for $200.0 million
- Acquired two businesses (Sequencebase and Darts-ip) to augment our existing portfolio of IP assets and reached an agreement to divest our non-core brand protection assets
- Implemented a customer delight program to focus our improvement efforts
- Commenced the process to acquire Decision Resources Group, which expands our Life Sciences services and solutions portfolio to enable customers worldwide to accelerate life-changing innovations and improve patient outcomes and access; a definitive agreement was reached in January 2020

2019 Financial Results

The table below highlights our key financial metrics which we measured for purposes of compensating our NEOs in 2019.

<table>
<thead>
<tr>
<th>Key Financial Results</th>
<th>2019 Results</th>
<th>2018 Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>$974,345</td>
<td>$968,468</td>
</tr>
<tr>
<td>Adjusted Revenue</td>
<td>$974,783</td>
<td>$951,170</td>
</tr>
<tr>
<td>Adjusted EBITDA</td>
<td>$294,066</td>
<td>$272,861</td>
</tr>
<tr>
<td>Standalone Adjusted EBITDA</td>
<td>$336,066</td>
<td>$310,968</td>
</tr>
<tr>
<td>Free Cash Flow</td>
<td>$47,744</td>
<td>(71,510)</td>
</tr>
</tbody>
</table>

See “Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations - Certain Non-GAAP Measures” and “Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations - Liquidity and Capital Resources” for a reconciliation of our non-GAAP to GAAP financial measures.”

Return to Shareholders

We have delivered a strong return to our shareholders through the year. On December 31, 2019, Clarivate stock closed at $16.80 per share providing our shareholders with a 24.6% increase in value from the Merger (on May 14, 2019, the first trading day following the Merger, Clarivate stock closed at $13.48 per share) and providing investors who had invested in Churchill as of the end of 2018 and continued to hold their shares with a 75.9% increase in value from December 31, 2018, when our stock closed at $9.55 per share.

Approach to Performance-Based Compensation

To reward achievement in 2019, we maintained a target-based annual incentive plan (the “AIP”) that delivered annual cash payments to the NEOs and other senior employees based on achievement of pre-determined financial goals of the Company tied to adjusted revenue, standalone adjusted EBITDA and adjusted free cash flow (for employees with group-wide responsibility) and Product Line revenue and product contribution (for employees within Product Lines). The AIP also has an individual performance modifier. Our active NEOs had target payments ranging from 58.2% to 100.0% of their annual base salaries, depending upon their positions. As a result of the financial performance described in the table above, the AIP pool tied to corporate goals was funded at 100.0% of target.

Because our long-term incentive compensation program was not in effect in 2019, the percentage of fiscal year 2019 compensation that was at risk is not a full reflection of NEO compensation over a normal period. Beginning in 2020, we are expecting approximately 90% of our CEO’s compensation to be at risk and approximately 70% of the other NEOs’ compensation, on average as a group, to be at risk. For purposes of these estimates, compensation is comprised of base salary, AIP target and long-term incentive target, with AIP target and long-term incentive target both counting as at-risk pay.

Key Compensation Decisions
In 2019, we made decisions that impacted the compensation our NEOs received during 2019 as well as the structure of our future executive compensation program.

Initially, our executive compensation program for 2019 was designed and implemented as a private-equity owned company. As the year progressed and we became a public company, we focused on aligning and simplifying our organization, instilling a strong sense of urgency and accountability and further structuring Clarivate for incremental growth and profitability. In connection with this restructuring, there were several changes at the senior leadership level, including the appointment of Mr. Stead as our new CEO and subsequent personnel changes at the senior level in order to help achieve Mr. Stead’s goals for the Company. These leadership changes have required us to offer new compensation packages, adjust other compensation, and approve severance arrangements. Details of these compensation decisions are described further in this CD&A.

Since the Merger, we have been pivoting our executive compensation programs to align with the expectations of our public shareholders and expect that compensation for the 2020 fiscal year will create a performance-based culture and reward colleagues for collective performance and demonstration of our values. Although some of our plans will not take effect until 2020, we began planning a compensation program whose goals are to:

- Provide appropriate rewards for achievement of business objectives and which support the creation of long-term shareholder value, including the granting of performance-based equity tied to three-year performance goals and relative shareholder return;
- Align with best practices from a corporate governance perspective, including having an appropriate peer group of comparator companies; and
- Attract, retain and motivate the high-caliber executive talent needed to support our growth targets.
Corporate Governance and Compensation Program Enhancements

We are committed to having policies in place to ensure effective oversight of our executive compensation program and strong corporate governance. Because we began the year as a private-equity-held firm, we are still implementing some governance policies relating to executive compensation. The table below highlights practices in effect in 2019 as well as practices we will be implementing in 2020.

<table>
<thead>
<tr>
<th>WHAT WE DO</th>
<th>WHAT WE DON’T DO</th>
</tr>
</thead>
<tbody>
<tr>
<td>☑ We have an independent compensation consultant</td>
<td>☑ We do not provide our CEO with an employment agreement</td>
</tr>
<tr>
<td>☑ We have adopted share ownership guidelines for our executive officers and the Board of Directors</td>
<td>☑ We do not permit our employees to engage in hedging transactions</td>
</tr>
<tr>
<td>☑ Beginning in 2020, we will have a Compensation Committee that is fully comprised of independent directors</td>
<td>☑ We do not permit our employees to pledge the Company’s securities to secure margin or other loans</td>
</tr>
<tr>
<td>☑ Beginning in 2020, the majority of NEO pay will be at risk and dependent upon performance</td>
<td>☑ We do not reprice underwater stock options</td>
</tr>
<tr>
<td>☑ The mix of executive officer equity awards in 2020 will include a performance-based element</td>
<td>☑ We do not provide excise tax gross-up payments</td>
</tr>
<tr>
<td>☑ In 2020, we intend to engage with our shareholders to discuss executive compensation and corporate governance matters</td>
<td>☑ We do not have an evergreen provision that automatically adds shares to our equity incentive plan</td>
</tr>
</tbody>
</table>

Our Approach to Pay

Compensation Philosophy

Our compensation in 2019 recognized Clarivate’s legacy as a private-equity-held firm, including: (i) increased emphasis on cash incentives, which were at risk based on pre-assigned company financial targets, (ii) pay levels targeted at or below market median without specific reference to an identified peer group for benchmarking, and (iii) historic stock options whose primary purpose was to create value for recipients alongside the private equity sponsors upon a Liquidity Event (as defined in the Clarivate Analytics PLC 2019 Incentive Award Plan (the “2019 Incentive Plan”)).

Soon after the merger with Churchill, we began reviewing our compensation programs in order to reflect our public company status and to create a performance-based culture and reward colleagues for collective performance and demonstration of our values. We adopted the following guiding principles for compensation and benefits:

- Our total rewards strategy should support our mission, vision and values
- Our compensation philosophy must attract, retain and motivate top talent
- Our compensation programs should be globally consistent and locally competitive
- Our incentives need to be aligned to key business objectives appropriate to colleague roles
- Our compensation programs must support a pay-for-performance culture

We assessed our long-term and short-term incentive plans against these principles and determined that our AIP is well designed for future purposes and not in need of significant change (other than our normal review in the ordinary course and setting of suitably demanding annual targets). However, we determined that stock options that had been tied to private equity returns did not give us the adaptability we need for providing ongoing competitive pay or to allow for a wider distribution of incentives to colleagues who are key to ensuring we hit our goals. Beginning in 2020, equity grants pursuant to our 2019 Incentive Plan will be comprised of a mix of restricted stock units: (a) performance-based units (“PRSUs”) tied to long-term financial and operational metrics with a relative total shareholder return modifier, and (b) time-based units (“RSUs”) that will vest over time.

Peer Group Benchmarking

With guidance from Pay Governance LLC, our independent compensation consultant, we established a peer group for benchmarking executive pay based on the following guiding principles:

- Companies engaged in intelligence development, data analytics, digital delivery or cybersecurity/intellectual property protections
- Revenues between $300 million - $3.0 billion (approximately 0.3x – 3.0x Clarivate)
- Market capitalization between $1.0 - $24.0 billion (approximately 0.25x – 5.0x Clarivate)
- Business/talent competitors of Clarivate
- A group of between 10 to 25 companies so that results are statistically reliable, and the peer group is sustainable over time
- Sufficient pay data is available for companies identified as potential peers

Based on this analysis, we selected the following companies as our primary peer group for compensation benchmarking in 2019:

| Clarivate Analytics Peer Group for Compensation |
|----------------|----------------|----------------|
| Cloudera, Inc. | FTI Consulting, Inc. | MSCI Inc. |
| ExlService Holdings, Inc. | Gartner, Inc. | Proofpoint, Inc. |
| Exponent, Inc. | ICF International, Inc. | PRA Health Sciences, Inc. |
| FactSet Research Systems Inc. | ICON Public Limited Company | RWS Holdings plc |
| Fair Isaac Corporation | Informa plc | Teradata Corporation |
| FireEye, Inc. | Morningstar, Inc. | |
Determination of Executive Compensation

Role of the Compensation Committee

Following the closing of the Merger, the Compensation Committee of the Board of Directors has administered the compensation program for our executive officers and executive leadership team.

With respect to CEO compensation, the Compensation Committee:

- Reviews and approves the corporate goals and objectives;
- Evaluates the CEO’s performance in light of these goals and objectives; and
- Sets the CEO’s compensation based upon the evaluation of the CEO’s performance. (Under its charter, the Compensation Committee may set the CEO’s compensation either alone or, if directed by the Board, in conjunction with a majority of the independent directors on the Board.)

Additionally, the Compensation Committee reviews and sets or makes recommendations to the Board regarding the compensation of the executive officers other than the CEO.

The Compensation Committee reviews and approves or recommends to the Board regarding the adoption or amendment of the Company’s incentive compensation and equity-based plans and arrangements. The Compensation Committee administers these plans and has authority to make and modify awards under these plans.

The Compensation Committee considers a variety of factors when making compensation decisions, including:

- Experience, responsibilities, and both individual and overall Company performance
- Internal equity among executives
- Executive role in succession planning
- Competitive external market data and trends
- Alignment with shareholders, customers and colleagues

Role of Compensation Consultant

During 2019, the Compensation Committee engaged Pay Governance LLC as its independent compensation consultant to advise on executive compensation matters. Pay Governance specializes in executive compensation and related governance matters and does not perform any unrelated services for Clarivate Analytics. The Compensation Committee has sole authority with regard to the decision to retain the compensation consultant and, while the compensation consultant interacts with management from time to time in order to best coordinate with and deliver services to the Compensation Committee, it reports directly to the Compensation Committee with respect to its compensation consulting advice.

Role of Management

At the Compensation Committee’s request, management provides us with information, analyses and recommendations regarding our executive compensation program. From May 2019, our CEO was a member of the Compensation Committee and participated in compensation decisions, other than those decisions that were directly related to the CEO’s own compensation. Starting in 2020, the CEO will no longer serve on the Compensation Committee, which is consistent with our decision to report as a domestic filer.

Compensation for Named Executive Officers

Elements of Compensation

For 2019, the executive compensation program consisted of the elements described in the table below.

<table>
<thead>
<tr>
<th>Pay Element</th>
<th>Alignment to Business Objectives</th>
<th>Overview</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fixed</td>
<td>Base Salary</td>
<td>• Cash</td>
</tr>
<tr>
<td>Variable</td>
<td>Annual Incentive Plan</td>
<td>• Aligned to scope of responsibilities and market benchmarks</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Cash</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Annual recognition of performance against pre-established targets, including</td>
</tr>
<tr>
<td></td>
<td></td>
<td>§ Standalone Adjusted EBITDA</td>
</tr>
<tr>
<td></td>
<td></td>
<td>§ Adjusted revenue</td>
</tr>
<tr>
<td></td>
<td></td>
<td>§ Adjusted free cash flow</td>
</tr>
<tr>
<td></td>
<td></td>
<td>§ Product Line profit and revenue</td>
</tr>
<tr>
<td></td>
<td></td>
<td>§ Individual performance modifier</td>
</tr>
<tr>
<td>Long-Term</td>
<td>Long-Term Incentive Plan</td>
<td>• Stock Options</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• RSUs</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Supports retention and mitigates excessive risk taking</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Event-based grants (hire, promotion, etc.)</td>
</tr>
</tbody>
</table>
CEO

At the time of the Merger, Mr. Stead was named Executive Chairman, and shortly thereafter Mr. Stead agreed to expand his role to become our CEO effective as of June 30, 2019. Mr. Stead has had a long and very successful career generating value for investors as a public company CEO. Over the last two decades, he led one of the fastest-growing and most successful companies in the information services sector, IHS Markit Ltd.

Post-Merger Compensation. Mr. Stead has been provided with an annual salary of $600,000 (pro-rated for the time he served as CEO) and an AIP target equal to 100.0% of his annual salary. Prior to the time that Mr. Stead’s AIP payout could be calculated, he requested and the Compensation Committee agreed that he be paid only 50.0% of his earned AIP payout. Mr. Stead has also requested that he not have an employment agreement. We have been advised by our compensation consultant, Pay Governance LLC, that Mr. Stead’s compensation (excluding the Merger Shares discussed below) is below market compared to our peer group. Given Mr. Stead’s successful track record and years of experience in the information services industry, we will review his compensation as compared to our peer group in 2020.

Pre-Merger Compensation. Under the Sponsor Agreement, Clarivate, Churchill and the other parties thereto agreed that Clarivate would issue 7,000,000 ordinary shares to persons designated by Messrs. Stead and Klein, including themselves, upon Clarivate’s achievement of a closing share price on the NYSE of at least $20.00 per share for 40 days over a 60 consecutive trading day period on or before the sixth anniversary of the closing of the Merger (the “Merger Shares”). Of the 7,000,000 Merger Shares, Mr. Stead was delegated the authority to designate recipients of up to 4,000,000. As of December 31, 2019, 1,000,000 Merger Shares were designated for Mr. Stead, and he retained the authorization to designate the recipients of a residual 400,000 unissued Merger Shares. On January 31, 2020, our Board agreed to waive the performance vesting condition described above, and such Merger Shares are expected to be issued to persons designated by Messrs. Stead and Klein or prior to December 31, 2020. Additionally, the terms of the Sponsor Agreement provided that the Churchill board of directors could allocate up to 1,000,000 immediately vested non-qualified stock options that would be granted after the close of the Merger. At that time, the Churchill board of directors designated that the options would be granted to Mr. Stead given his agreement to serve as the executive chairman of Clarivate following the Merger. These options were then granted to Mr. Stead with an exercise price of $13.30, the fair market value as of the May 20, 2019 grant date. The stock options will only have value to Mr. Stead if our share price remains above the $13.30 exercise price. While we are required to report the Merger Shares and stock options designated for Mr. Stead as compensation to him under the rules of the SEC, the Merger Shares and stock options were actually received by Mr. Stead in his role as a founder of Churchill and were part of the terms of the Merger, which were negotiated on an arm’s length basis among the parties to the Sponsor Agreement, and not a decision of the Compensation Committee.

Base Salary. In connection with the Merger and restructuring described in “Key Compensation Decisions” above, we provided salary adjustments to Messrs. Ahmed, Roy and Hartman. Over the course of the year, Mr. Ahmed received two separate salary increases (the first being 13.8% and the second being 21.6%). The first increase, in July 2019, was after the Merger to align his pay with the competitive market, and the second increase, effective in September 2019, was in recognition of his appointment as head of one of our two primary Product Groups. In total Mr. Ahmed’s salary increased from $414,050 at the beginning of the year to $573,300 at year-end. Mr. Roy received an 17.6% increase in salary, from $382,500 to $450,000 after the Merger, which aligns his pay with the competitive market and recognizes his appointment as head of one of our two primary Product Groups. Both Messrs. Ahmed and Roy have significantly increased areas of responsibility and hold critically important roles. Mr. Hartman received a 25.0% increase in salary, from $305,760 to $382,200, in recognition of his expanded responsibilities as general counsel of a public company and to align his pay with the competitive market. Messrs. Hartman and Ahmed are based in the United Kingdom and their salaries have been converted to USD using a GBP:USD exchange rate of 1.274, which is a rate set at the beginning of 2019 using a six-month forward look which we use for the purposes of our budgetary planning.
Annual Incentive Plan

Our AIP is intended to reward achievement of operational and financial performance by aligning individual performance with our business strategy and objectives. Each NEO has a target AIP payout, which is defined as a percentage of the respective NEO’s eligible base pay. There is also a discretionary individual performance modifier, which may be used to increase or decrease an individual’s final payout up to twice the calculated payment, depending upon an assessment of that individual’s performance, determined by the Compensation Committee for NEOs, against individual objectives.

In mid-2019, the Compensation Committee adjusted the AIP target payout for the NEOs (other than for the CEO) as follows:

- Mr. Hanks: 62.5% to 85.0% of his base salary
- Mr. Ahmed: 85.0% to 100.0% of his base salary
- Mr. Roy: 60% to 85% of his base salary
- Mr. Hartman: 50% to 65% of his base salary

These adjustments were made to recognize the expanded roles following the Merger and restructuring. The increased targets have been pro-rated (from the date of adjustment) for purposes of determining the 2019 AIP payouts.

The AIP for our NEOs included goals which best represent our key business performance areas, including adjusted revenue, standalone adjusted EBITDA, and adjusted free cash flow. Additionally, Messrs. Roy and Ahmed had goals tied to Product Line performance.

The table below provides the threshold, target and maximum AIP opportunities and actual results achieved in 2019 at the corporate level. Payments are interpolated between these levels.

### 2019 AIP Calculations

<table>
<thead>
<tr>
<th>Metric</th>
<th>Weighting</th>
<th>Payment Level</th>
<th>2019 Corporate Goal (in thousands)</th>
<th>2019 Corporate Goal as % of Target</th>
<th>2019 Results (in thousands)</th>
<th>AIP Payout Level Achieved</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adjusted Revenue (1)</td>
<td>40%</td>
<td>Threshold 0%</td>
<td>$962,000</td>
<td>97.9%</td>
<td>977,775</td>
<td>35.8%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Target 100%</td>
<td>$982,600</td>
<td>100.0%</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Maximum 200%</td>
<td>$1,080,000</td>
<td>110.0%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Standalone Adjusted EBITDA (1)</td>
<td>40%</td>
<td>Threshold 0%</td>
<td>$325,000</td>
<td>97.9%</td>
<td>338,219</td>
<td>43.4%(2)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Target 100%</td>
<td>$332,000</td>
<td>100.0%</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Maximum 200%</td>
<td>$365,200</td>
<td>110.0%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adjusted Free Cash Flow (1)</td>
<td>20%</td>
<td>Threshold 0%</td>
<td>$42,800</td>
<td>75.0%</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Target 100%</td>
<td>$57,000</td>
<td>100.0%</td>
<td>57,600</td>
<td>20.8%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Maximum 200%</td>
<td>$71,300</td>
<td>125.0%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Calculated Annual Incentive Payout (as a Percentage of Target)** 100%

(footnotes in thousands)

1. Adjusted revenue and standalone adjusted EBITDA are presented at plan rates excluding results from two acquisitions that occurred late in 2019: Darts-ip, acquired in November 2019, and SequenceBase, acquired in September 2019. These exclusions and the presentation at plan rates resulted in the following differences between the amounts included above for 2019 AIP Calculations and the amounts reported in “Key Financial Results” in this section of the annual report: adjusted revenue plan results increased by $2,992; standalone adjusted EBITDA plan results increased by $2,153. See “Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations - Certain Non-GAAP Measures” for a reconciliation of our non-GAAP to GAAP financial measures. Adjusted free cash flows for AIP purposes are presented at actual rates and are adjusted to exclude certain transactions that do not represent operations from our ongoing business. These adjustments resulted in an increase of $9,856 between the amount included above for 2019 AIP Calculation and the amount reported in “Key Financial Results” in this section of the annual report.

2. The calculated payout for standalone adjusted EBITDA is 47.5%; however, the payout was set at 43.4% to ensure that payment based on non-GAAP adjustments would not adversely impact overall adjusted EBITDA.

The table below illustrates the AIP payout calculations for Messrs. Stead, Hanks and Hartman, whose AIP goals were 100% tied to the corporate AIP goals shown above, plus an individual modifier for Messrs. Hanks and Hartman. The Compensation Committee utilized the individual performance modifier to increase the final payments to Messrs. Hanks and Hartman to recognize their leadership and accomplishments that were required for the successful and timely closing of the Merger and start of operations as a public company.

### Individual NEO AIP Calculations – 100% Corporate

<table>
<thead>
<tr>
<th>Name</th>
<th>Eligible Base Pay ($)</th>
<th>Pro-Rata AIP Target (%)</th>
<th>Corporate Goal Achievement (%)</th>
<th>Voluntary Forfeiture ($)</th>
<th>Individual Modifier ($)</th>
<th>Final AIP Payout ($)</th>
<th>Total AIP Payout as Percent of Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jerre Stead(1)</td>
<td>600,000</td>
<td>100.0%</td>
<td>100.0%</td>
<td>(300,000)</td>
<td>--</td>
<td>300,000</td>
<td>50.0%</td>
</tr>
<tr>
<td>Richard Hanks</td>
<td>500,000</td>
<td>68.9%</td>
<td>100.0%</td>
<td>--</td>
<td>5,445</td>
<td>350,000</td>
<td>110.6%</td>
</tr>
<tr>
<td>Stephen Hartman</td>
<td>350,576</td>
<td>58.2%</td>
<td>100.0%</td>
<td>--</td>
<td>15,813</td>
<td>220,000</td>
<td>107.7%</td>
</tr>
</tbody>
</table>

(1) See “CEO Compensation” for additional discussion regarding Mr. Stead’s eligible earnings and voluntary forfeiture of AIP incentive payout.

Messrs. Ahmed and Roy had 50% of their AIP tied to the corporate AIP goals shown above and 50% tied to the performance of the Product Lines for which they had responsibility. Their respective Product Lines did not achieve the applicable threshold performance levels; thus, Messrs. Ahmed and
Roy are not receiving a payout for the portion of their AIP that is weighted to their Product Lines. Because of their leadership, vision and key contributions to the Company’s strategic path forward, the Compensation Committee utilized the individual performance modifier to increase their payouts, as shown in the following table.

<table>
<thead>
<tr>
<th>Name</th>
<th>Eligible Base Pay ($)</th>
<th>Pro-Rata AIP Target ($)</th>
<th>Corporate Goal Achievement (%)</th>
<th>Percentage of AIP Payout Weighted to Corporate Goals (%)</th>
<th>Individual Modifier ($)</th>
<th>Final AIP Payout ($)</th>
<th>Total AIP Payout as Percent of Target (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mukhtar Ahmed</td>
<td>477,017</td>
<td>91.0%</td>
<td>100.0%</td>
<td>50.0%</td>
<td>132,896</td>
<td>350,000</td>
<td>80.6%</td>
</tr>
<tr>
<td>Jeff Roy</td>
<td>416,527</td>
<td>69.9%</td>
<td>100.0%</td>
<td>50.0%</td>
<td>104,453</td>
<td>250,000</td>
<td>85.9%</td>
</tr>
</tbody>
</table>

Messrs. Hartman and Ahmed are based in the United Kingdom and, in the AIP tables above, their payments have been converted to USD using a GBP:USD exchange rate of 1.274. Since Mr. Nadler and Dr. Thomas were no longer employed with the Company as of the end of the fiscal year 2019, they did not receive an AIP payout tied to achievement of the performance goals.
**Long-Term Incentive Plan**

None of our NEOs received new equity grants in 2019 as compensation for their roles with Clarivate. As discussed previously under “Pre-Merger Compensation” above, as part of the Merger, Mr. Stead received an award of stock options for his role as a founder of Churchill.

In prior years, our NEOs, other than Mr. Stead, had received grants of non-qualified options under the Camelot Holdings (Jersey) Limited 2016 Equity Incentive Plan. In addition to compensatory grants, under this equity scheme, participants had an opportunity to invest in the then-private company and receive matching non-qualified stock options. After the Merger, these options were converted to non-qualified stock options under the 2019 Incentive Plan.

The terms of the stock options held by our NEOs, other than our CEO, provide for accelerated vesting in the event of a Liquidity Event which would require our “Principal Shareholders” (as defined in the 2019 Incentive Plan) to be holding less than 30% of the total shares of the Company that they held immediately after the Merger. The terms of the stock options held by our NEOs were approved when the Company was private-equity owned.

**Benefits**

We sponsor a qualified defined contribution plan (“401(k) Plan”) for U.S. employees, including U.S.-based NEOs. In addition, we sponsor a qualified defined contribution plan for UK employees, including UK-based NEOs. Other than the qualified plans described above, we do not provide any other pension plan, supplemental retirement plan, or deferred compensation plan to our NEOs.

We also provide NEOs with life and medical insurance, and other benefits generally available to all employees. We provide limited perquisites.

**Employment and Separation Agreements**

Our CEO does not have an employment agreement. In prior years, Clarivate entered into employment agreements with Messrs. Hanks, Ahmed, Roy and Hartman as well as with our former officers, Mr. Nadler and Dr. Thomas.

The employment agreements that we have in place with Messrs. Hanks, Ahmed, Roy, and Hartman are for the purpose of establishing their employment terms. These employment agreements provide a description of compensation elements and benefits to which each NEO is entitled, as further discussed under “Employment Contracts” below.

In 2019, we also entered into separation agreements with Mr. Nadler and Dr. Thomas that are described under “Employment Contracts” and “Potential Payments Upon Termination or Change in Control.”

**Compensation Policies**

**Stock Ownership Guidelines**

In January 2020, we adopted the following stock ownership guidelines for our non-employee directors, CEO, executive officers and leadership team.

<table>
<thead>
<tr>
<th>Position</th>
<th>Stock Ownership Guidelines</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chief Executive Officer</td>
<td>6 times base salary</td>
</tr>
<tr>
<td>Other Executive Officers and Leadership Team</td>
<td>3 times base salary</td>
</tr>
<tr>
<td>Non-employee Directors</td>
<td>5 times annual retainer</td>
</tr>
</tbody>
</table>

**Insider Trading Policy**

We have an insider trading policy that prohibits officers, directors, employees and consultants of the Company from trading while in possession of material, non-public information about the Company. We have Company-wide trading blackouts that are in effect prior to the release of earnings and we require all executive officers and other key employees to pre-clear any transactions with the Company’s General Counsel or Chief Financial Officer.

**No Hedging Policy**

Certain forms of hedging or monetization transactions allow an individual to lock in much of the value of his or her share holdings, often in exchange for all or part of the potential for upside appreciation in the shares. We have a policy that prohibits directors, executive officers, employees and consultants from engaging in such transactions.

**No Pledging Policy**

We have a policy that prohibits our directors, executive officers, employees and consultants from pledging the Company’s securities as collateral to secure loans or otherwise. This prohibition includes a prohibition on holding the Company’s securities in a margin account, which would allow the director or executive officer to borrow against their holdings to buy securities.

**Equity Grant Practices**

Beginning in 2020, we expect to make annual equity awards, comprised of PRSUs and RSUs, to management during the first quarter of the year. We also expect to make broad-based grants to our non-management employees in the fourth quarter of the year if we meet our Customer Delight goals. New hire and ad hoc grants may be made throughout the year.
Risk Management

The Board of Directors is responsible for the oversight of the Company's ongoing assessment and management of material risks impacting our business. The Compensation Committee oversees compensation risk management by participating in the creation of, and approving, compensation elements, programs and performance metrics that encourage an appropriate level of risk-taking consistent with our business strategy. In 2019, we had a formulaic-based annual incentive plan with maximum caps and pre-established goals that focused on multiple areas across the Company. Beginning in 2020, we will have short-term and long-term incentive plans that include a mix of performance metrics that align with our overall corporate goals and strategy and do not encourage excessive risk taking in order to meet one particular goal. As noted above in “Compensation Policies,” we have stock ownership guidelines and prohibitions against hedging and pledging of our securities. We do not believe our current compensation practices and programs are reasonably likely to have a material adverse effect on the Company.

Impact of Accounting and Tax Treatment

The Compensation Committee considers the accounting and tax treatment to Clarivate and the NEOs in its decision-making process, including: the recognition of stock-based compensation; the Tax Cuts and Jobs Act which eliminated the exception that allowed for the deductibility of certain performance-based compensation under Section 162(m) of the Internal Revenue Code; and Section 409A of the Internal Revenue Code. We strive to ensure that there are no significant negative accounting implications due to the design of our compensation programs; however, we will base our decisions on what we believe is necessary and appropriate to further the growth of our Company, align with our shareholders interest, and pay for performance.
Employee Share Plans

Prior to our merger with Churchill Capital Corp, we granted awards to eligible participants under the Camelot Holdings (Jersey) Limited 2016 Equity Incentive Plan (the “Prior Plan”). Options to purchase ordinary shares of Camelot, which are referred to herein as Company shares, granted under the Prior Plan typically were divided into four tiers, with distinct escalating exercise prices for each tier. In addition, certain participants were previously given an opportunity to make a cash investment to purchase Company shares and those participants who made such a cash investment received additional options under the Prior Plan that had a single exercise price. All options granted under the Prior Plan are eligible to vest in five equal annual installments generally following the date of grant of such options. Vesting will accelerate at such time as Camelot Investors have collectively sold for cash 70% of the total Clarivate ordinary shares received by them in our merger with Churchill Capital Corp.

Effective as of the effective time of the Jersey Merger, each option to purchase Company shares, to the extent then outstanding and unexercised, were converted into an option to purchase ordinary shares of Clarivate (a “Rollover Option”), on the same terms, conditions and vesting schedules as previously applied, with adjustments to the number of shares and exercise price, in each case based on an exchange ratio that is intended to preserve the intrinsic value and overall economics of the outstanding options. The conversion and adjustment of the options to purchase Camelot’s shares as described above is referred to herein as the Option Conversion.

In addition, in connection with our merger with Churchill Capital Corp, Clarivate adopted the Clarivate Analytics Plc 2019 Incentive Award Plan, or the 2019 Plan, under which Clarivate may grant cash and equity-based incentive awards to eligible service providers in order to attract, retain and motivate the persons who make important contributions to Clarivate. The 2019 Plan is intended to be the successor plan to the Prior Plan and, upon the effectiveness of the 2019 Plan, the Rollover Options ceased to be subject to the terms of the Prior Plan and are instead governed by the terms and conditions of the 2019 Plan. The 2019 Plan became effective immediately prior to the consummation of our merger with Churchill Capital Corp. The following summarizes the material features of the 2019 Plan.

Eligibility and Administration

Employees, consultants and directors of Clarivate, and employees and consultants of subsidiaries of Clarivate, are eligible to receive awards under the 2019 Plan. The 2019 Plan is administered by the Clarivate board of directors, which may delegate its duties and responsibilities to one or more committees of the directors and/or officers of Clarivate (referred to collectively as the plan administrator below), subject to the limitations imposed under the 2019 Plan, Section 16 of the Exchange Act, stock exchange rules and other applicable laws. The plan administrator has the authority to take all actions and make all determinations under the 2019 Plan, to interpret the 2019 Plan and award agreements and to adopt, amend and repeal rules for the administration of the 2019 Plan as it deems advisable. The plan administrator also has the authority to grant awards, determine which eligible service providers receive awards and set the terms and conditions of all awards under the 2019 Plan, including any vesting and vesting acceleration provisions, subject to the conditions and limitations in the 2019 Plan.

Award Limits

An aggregate pool of 60,000,000 ordinary shares are initially available for issuance under the 2019 Plan. Shares issued upon exercise of the Rollover Options and shares issued in respect of all future awards will come out of this pool. No more than 60,000,000 ordinary shares may be issued under the 2019 Plan upon the exercise of options that are intended to qualify as incentive stock options under Section 422 of the Code. Shares issued under the 2019 Plan may be authorized but unissued shares, shares purchased on the open market or treasury shares.
If an award under the 2019 Plan (including the Rollover Options) expires, lapses or is terminated, exchanged for cash, surrendered, repurchased, redeemed, cancelled without having been fully exercised or forfeited, any unused shares subject to the award will, as applicable, become or again be available for new grants under the 2019 Plan. Awards granted under the 2019 Plan in substitution for any options or other shares or share-based awards granted by an entity before the entity’s merger or consolidation with Clarivate or Clarivate’s acquisition of the entity’s property or shares will not reduce the shares available for grant under the 2019 Plan, but will count against the maximum number of shares that may be issued upon the exercise of options that are intended to qualify as incentive stock options under Section 422 of the Code.

Awards

The 2019 Plan provides for the grant of options, including options that are intended to qualify as incentive stock options under Section 422 of the Code and nonqualified options, share appreciation rights, restricted shares, dividend equivalents, restricted share units and other share or cash based awards. Certain awards under the 2019 Plan may constitute or provide for payment of “nonqualified deferred compensation” under Section 409A of the Code. All awards under the 2019 Plan will be set forth in award agreements, which will detail the terms and conditions of awards, including any applicable vesting and payment terms and post-termination exercise limitations. A brief description of each award type follows.

- **Options and Share Appreciation Rights.** Options provide for the purchase of ordinary shares in the future at an exercise price set on the grant date. Options that are intended to qualify as incentive stock options under Section 422 of the Code, in contrast to nonqualified options, may provide tax deferral beyond exercise and favorable capital gains tax treatment to their holders if certain holding period and other requirements of the Code are satisfied. Share appreciation rights entitle their holder, upon exercise, to receive from us an amount equal to the appreciation of the shares subject to the award between the grant date and the exercise date. The plan administrator will determine the number of shares covered by each option and share appreciation right, the exercise price of each option and share appreciation right and the conditions and limitations applicable to the exercise of each option and share appreciation right. The exercise price of an option or share appreciation right will not be less than 100% of the fair market value of the underlying share on the grant date (or 110% in the case of options that are intended to qualify as incentive stock options under Section 422 of the Code granted to certain significant shareholders), except with respect to certain substitute awards granted in connection with a corporate transaction. The term of an option or share appreciation right may not be longer than ten years (or five years in the case of options that are intended to qualify as incentive stock options under Section 422 of the Code granted to certain significant shareholders).

- **Restricted Shares and Restricted Share Units.** Restricted shares are awards of nontransferable ordinary shares that remain forfeitable unless and until specified conditions are met and which may be subject to a purchase price. Restricted share units are contractual promises to deliver ordinary shares in the future, which may also remain forfeitable unless and until specified conditions are met and may be accompanied by the right to receive the equivalent value of dividends paid on ordinary shares prior to the delivery of the underlying shares. The plan administrator may provide that the delivery of the shares underlying restricted share units will be deferred on a mandatory basis or at the election of the participant. The terms and conditions applicable to restricted shares and restricted share units will be determined by the plan administrator, subject to the conditions and limitations contained in the 2019 Plan.

- **Other Share or Cash Based Awards.** Other share or cash based awards are awards of cash, fully vested ordinary shares and other awards valued wholly or partially by referring to, or otherwise based on, ordinary shares or other property. Other share or cash based awards may be granted to participants and may also be available as a payment form in the settlement of other awards, as standalone payments and as payment in lieu of compensation to which a participant is otherwise entitled. The plan administrator will determine the terms and conditions of other share or cash based awards, which may include any purchase price, performance goal, transfer restrictions and vesting conditions.
Performance Criteria

The plan administrator may select performance criteria for an award to establish performance goals for a performance period. Performance criteria under the 2019 Plan may include, but are not limited to, the following: net earnings or losses (either before or after one or more of interest, taxes, depreciation, amortization, and non-cash equity-based compensation expense); gross or net sales or revenues or sales or revenues growth; net income (either before or after taxes) or adjusted net income; profits (including but not limited to gross profits, net profits, profit growth, net operation profit or economic profit), profit return ratios or operating margin; budget or operating earnings (either before or after taxes or before or after allocation of corporate overhead and bonus); cash flow (including operating cash flow and free cash flow or cash flow return on capital); return on assets; return on capital or invested capital; cost of capital; return on shareholders’ equity; total shareholder return; return on sales; costs, reductions in costs and cost control measures; expenses; working capital; earnings or loss per share; adjusted earnings or loss per share; price per share or dividends per share (or appreciation in or maintenance of such price or dividends); regulatory achievements or compliance; implementation, completion or attainment of objectives relating to research, development, regulatory, commercial, or strategic milestones or developments; market share; economic value or economic value added models; division, group or corporate financial goals; customer satisfaction/growth; customer service; employee satisfaction; recruitment and maintenance of personnel; human resources management; supervision of litigation and other legal matters; strategic partnerships and transactions; financial ratios (including those measuring liquidity, activity, profitability or leverage); debt levels or reductions; sales-related goals; financing and other capital raising transactions; cash on hand; acquisition activity; investment sourcing activity; and marketing initiatives, any of which may be measured in absolute terms or as compared to any incremental increase or decrease. Such performance goals also may be based solely by reference to the company’s performance or the performance of a subsidiary, division, business segment or product line of the company or a subsidiary, or based upon performance relative to performance of other companies or upon comparisons of any of the indicators of performance relative to performance of other companies. When determining performance goals, the plan administrator may provide for exclusion of the impact of an event or occurrence which the plan administrator determines should appropriately be excluded, including, without limitation, non-recurring charges or events, acquisitions or divestitures, changes in the corporate or capital structure, events unrelated to the business or outside of the control of management, foreign exchange considerations, and legal, regulatory, tax or accounting changes.

Certain Transactions

In connection with certain corporate transactions and events affecting the ordinary shares of Clarivate, including a change in control, or change in any applicable laws or accounting principles, the plan administrator has broad discretion to take action under the 2019 Plan to prevent the dilution or enlargement of intended benefits, facilitate the transaction or event or give effect to the change in applicable laws or accounting principles. This includes cancelling awards for cash or property, accelerating the vesting of awards, providing for the assumption or substitution of awards by a successor entity, adjusting the number and type of shares subject to outstanding awards and/or with respect to which awards may be granted under the 2019 Plan and replacing or terminating awards under the 2019 Plan. In addition, in the event of certain non-reciprocal transactions with the shareholders of Clarivate, the plan administrator will make equitable adjustments to awards outstanding under the 2019 Plan as it deems appropriate to reflect the transaction.
Plan Amendment and Termination

The Clarivate board of directors may amend or terminate the 2019 Plan at any time; however, no amendment, other than an amendment that increases the number of shares available under the 2019 Plan, may materially and adversely affect an award outstanding under the 2019 Plan without the consent of the affected participant and shareholder approval will be obtained for any amendment to the extent necessary to comply with applicable laws. The 2019 Plan will remain in effect until the tenth anniversary of its effective date, unless earlier terminated by the Clarivate board of directors. No awards may be granted under the 2019 Plan after its termination.

Claw-Back Provisions, Transferability and Participant Payments

All awards will be subject to any company claw-back policy as set forth in such claw-back policy or the applicable award agreement. Except as the plan administrator may determine or provide in an award agreement, awards under the 2019 Plan are generally non-transferable, except by will or the laws of descent and distribution, or, subject to the plan administrator’s consent, pursuant to a domestic relations order, and are generally exercisable only by the participant. With regard to tax withholding obligations arising in connection with awards under the 2019 Plan and exercise price obligations arising in connection with the exercise of options under the 2019 Plan, the plan administrator may, in its discretion, accept cash, wire transfer or check, Shares that meet specified conditions, a promissory note, a “market sell order,” such other consideration as the plan administrator deems suitable or any combination of the foregoing.

Executive Compensation Tables

2019 Summary Compensation Table

The following summary compensation table sets forth information concerning compensation paid or accrued to: (i) each person who served as our CEO during the fiscal year 2019, (ii) our chief financial officer, (iii) our three other most highly compensated executive officers who serve in such capacity as of the end of 2019, and (iv) one former executive officer who would have been included as one of our three other most highly compensated executive officers had she been serving in that capacity at the end of 2019.

<table>
<thead>
<tr>
<th>Name and principal position(1)</th>
<th>Year</th>
<th>Salary ($)</th>
<th>Stock awards ($)1(2)</th>
<th>Option awards ($)3(3)</th>
<th>Non-equity incentive plan compensation ($)4(4)</th>
<th>All other compensation ($)5(5)</th>
<th>Total ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jerre Stead</td>
<td>2019</td>
<td>380,769</td>
<td>12,960,000</td>
<td>2,940,000</td>
<td>300,000</td>
<td>8,346</td>
<td>16,589,115</td>
</tr>
<tr>
<td>Executive Chairman and Chief Executive Officer</td>
<td>2019</td>
<td>500,000</td>
<td>--</td>
<td>--</td>
<td>350,000</td>
<td>8,442</td>
<td>858,442</td>
</tr>
<tr>
<td>Richard Hans</td>
<td>2019</td>
<td>476,688</td>
<td>--</td>
<td>--</td>
<td>350,000</td>
<td>62,800</td>
<td>889,488</td>
</tr>
<tr>
<td>Mukhtar Ahmed(6)</td>
<td>2019</td>
<td>416,527</td>
<td>--</td>
<td>--</td>
<td>250,000</td>
<td>8,442</td>
<td>674,969</td>
</tr>
<tr>
<td>President, Science Group</td>
<td>2019</td>
<td>350,350</td>
<td>--</td>
<td>--</td>
<td>220,000</td>
<td>46,168</td>
<td>616,518</td>
</tr>
<tr>
<td>Jeff Roy</td>
<td>2019</td>
<td>363,462</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>1,986,382</td>
<td>2,349,844</td>
</tr>
<tr>
<td>General Counsel and Global Head of Corporate Development</td>
<td>2019</td>
<td>547,820</td>
<td>--</td>
<td>5,853,715</td>
<td>--</td>
<td>2,593,711</td>
<td>8,995,246</td>
</tr>
<tr>
<td>Annette Thomas(6)</td>
<td>2019</td>
<td>476,688</td>
<td>--</td>
<td>--</td>
<td>350,000</td>
<td>8,442</td>
<td>889,488</td>
</tr>
<tr>
<td>CEO, Scientific and Academic Research (Former)</td>
<td>2019</td>
<td>500,000</td>
<td>--</td>
<td>--</td>
<td>250,000</td>
<td>8,442</td>
<td>674,969</td>
</tr>
</tbody>
</table>

(1) Mr. Stead was named Executive Chairman in connection with the closing of the Merger on May 13, 2019 and shortly thereafter, he agreed to expand his role to become our CEO effective June 30, 2019. Mr. Nadler served as our CEO prior to Mr. Stead and continued to serve as an advisor to the Company through year-end. Effective September 18, 2019, we entered into a separation agreement with Dr. Thomas.
(2) Represents the value of 1,000,000 Merger Shares based on the fair market value on the date of designation and calculated in accordance with FASB ASC Topic 718, excluding the effect of any estimated forfeitures. Information about the assumptions used to calculate the grant date fair value of the stock can be found in “Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations – Note 3: Summary of Significant Accounting Policies- Share Based Compensation” and “Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations - Note 17: Employment and Compensation Arrangements.” The reported amount does not include the value of the 400,000 Merger Shares over which Mr. Stead has retained the authority to designate, which were not designated as of December 31, 2019. As further described under “Pre-Merger Compensation” above, the Merger Shares were provided for in the Sponsor Agreement, the terms of which were negotiated on an arm’s length basis among the parties thereto.
(3) For Mr. Stead, the value of the option awards reflects the grant date fair value of stock options calculated in accordance with FASB ASC Topic 718, excluding the effect of any estimated forfeitures. As further described under “Pre-Merger Compensation” above, the stock options listed for Mr. Stead were provided for in the Sponsor Agreement, the terms of which were negotiated on an arm’s length basis among the parties thereto. For Dr. Thomas, the value of options reflects $5,553,629 of fair value related to stock options that were accelerated upon her termination and $300,086 in incremental expense related to the extension of exercise period for options that were vested at the time of her termination. The values for Dr. Thomas were calculated as of the modification date in accordance with FASB ASC Topic 718. Information about the assumptions used to calculate the grant date fair value of the stock options can be found in “Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations – Note 3: Summary of Significant Accounting Policies- Share Based Compensation” and “Note 17: Employment and Compensation Arrangements.”
(4) Represents annual incentive payments under our AIP that will be paid in March 2020 for 2019 performance.
(5) The table below provides a breakdown of All Other Compensation in 2019 for our NEOs:
Grants of Plan Based Awards During Fiscal Year 2019

The following table provides information regarding grants of plan-based awards to our NEOs.

<table>
<thead>
<tr>
<th>Name</th>
<th>Grant date</th>
<th>Approval date</th>
<th>Threshold ($)</th>
<th>Target ($)</th>
<th>Maximum ($)</th>
<th>All other stock awards: Number of shares of stock or units (#)</th>
<th>All other option awards: Number of securities underlying options (#)</th>
<th>Exercise or base price of option awards ($/Sh)</th>
<th>Grant date fair value of stock and option awards ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jerre Stead</td>
<td>5/20/2019</td>
<td>5/20/2019</td>
<td>--</td>
<td>600,000</td>
<td>1,200,000</td>
<td>1,000,000(3)</td>
<td>13.30</td>
<td>2,490,000</td>
<td>12,960,000</td>
</tr>
<tr>
<td></td>
<td>5/26/2019</td>
<td>5/26/2019</td>
<td>--</td>
<td>344,555</td>
<td>689,110</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Richard Hanks</td>
<td>5/19/2019</td>
<td>5/19/2019</td>
<td>--</td>
<td>434,207</td>
<td>868,414</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mukhtar Ahmed</td>
<td>5/19/2019</td>
<td>5/19/2019</td>
<td>--</td>
<td>291,095</td>
<td>582,190</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Jeff Roy</td>
<td>5/19/2019</td>
<td>5/19/2019</td>
<td>--</td>
<td>204,187</td>
<td>408,374</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Jay Nadler</td>
<td>5/19/2019</td>
<td>5/19/2019</td>
<td>--</td>
<td>204,187</td>
<td>408,374</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Annette Thomas(5)</td>
<td>9/16/2019</td>
<td>9/16/2019</td>
<td>--</td>
<td>286,525</td>
<td>6.75</td>
<td>3,061,277</td>
<td>3,061,277</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>9/16/2019</td>
<td>9/16/2019</td>
<td>--</td>
<td>204,626</td>
<td>10.39</td>
<td>1,474,084</td>
<td>1,474,084</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>9/16/2019</td>
<td>9/16/2019</td>
<td>--</td>
<td>204,626</td>
<td>14.18</td>
<td>805,846</td>
<td>805,846</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>9/19/2019</td>
<td>9/19/2019</td>
<td>--</td>
<td>122,807</td>
<td>17.96</td>
<td>212,422</td>
<td>212,422</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(1) The threshold, target and maximum amounts shown under “Estimated Future Payouts Under Non-Equity Incentive Plan Awards” reflect the ranges of payments that could be made under the AIP. Actual payments under the AIP are shown in the Summary Compensation Table. Because Mr. Nadler and Dr. Thomas terminated employment before the end of fiscal year 2019, they were not eligible to receive an AIP payout based on year-end performance.

(2) Stock options were granted pursuant to the 2019 Incentive Plan.

(3) As further described under “Pre-Merger Compensation” above, the stock options listed for Mr. Stead were provided for in the Sponsor Agreement, the terms of which were negotiated on an arm’s length basis among the parties thereto.

(4) Represents the value of 1,000,000 Merger Shares based on the fair market value on the date of designation and calculated in accordance with FASB ASC Topic 718, excluding the effect of any estimated forfeitures. Information about the assumptions used to calculate the grant date fair value of the stock can be found in “Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations - Note 17: Employment and Compensation Arrangements.” As further described under “Pre-Merger Compensation” above, the Merger Shares were provided for in the Sponsor Agreement, the terms of which were negotiated on an arm’s length basis among the parties thereto.

(5) The option awards listed for Dr. Thomas show the details of the accelerated vesting of her unvested stock options, pursuant to the terms of her separation agreement, as further described in “Former Officer Agreement.” The number of securities underlying her stock options is the number of stock options accelerated. The exercise price is the original exercise price of the accelerated stock options, and the amounts shown for grant date fair value includes $5,553,629 of fair value related to stock options that were accelerated upon her termination and excludes $300,086 of...
incremental expense related to the extension of the exercise period for her stock options that were vested upon her termination.
Outstanding Equity Awards at Fiscal Year-End

The following table provides information concerning the outstanding equity awards held by the NEOs at the end of fiscal year 2019. Except for our CEO, our NEOs were holding only stock options at the end of the fiscal year; none were holding stock awards.

<table>
<thead>
<tr>
<th>Name</th>
<th>Number of securities underlying unexercised options (#) exercisable</th>
<th>Number of securities underlying unexercised options (#) unexercisable</th>
<th>Option exercise price ($)</th>
<th>Option expiration date</th>
<th>Number of shares or units of stock that have not vested(#)</th>
<th>Market value of shares or units of stock that have not vested ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jerre Stead</td>
<td>1,000,000(1)</td>
<td>--</td>
<td>13.30</td>
<td>5/19/2029</td>
<td>1,000,000(8)</td>
<td>16,800,000</td>
</tr>
<tr>
<td>Richard Hanks</td>
<td>147,992</td>
<td>221,990(2)</td>
<td>6.61</td>
<td>3/2/2027</td>
<td>105,710</td>
<td>158,563</td>
</tr>
<tr>
<td></td>
<td>105,710</td>
<td>158,563(2)</td>
<td>10.39</td>
<td>3/2/2027</td>
<td>105,710</td>
<td>158,563</td>
</tr>
<tr>
<td></td>
<td>63,426</td>
<td>95,138(2)</td>
<td>14.18</td>
<td>3/2/2027</td>
<td>63,426</td>
<td>95,138</td>
</tr>
<tr>
<td></td>
<td>14,271</td>
<td>9,513(3)</td>
<td>6.61</td>
<td>5/22/2027</td>
<td>14,271</td>
<td>9,513</td>
</tr>
<tr>
<td>Mukhtar Ahmed</td>
<td>46,248</td>
<td>184,991(4)</td>
<td>6.91</td>
<td>3/7/2028</td>
<td>33,034</td>
<td>132,136</td>
</tr>
<tr>
<td></td>
<td>33,034</td>
<td>132,136(4)</td>
<td>10.85</td>
<td>3/7/2028</td>
<td>33,034</td>
<td>132,136</td>
</tr>
<tr>
<td></td>
<td>19,820</td>
<td>79,282(4)</td>
<td>14.78</td>
<td>3/7/2028</td>
<td>19,820</td>
<td>79,282</td>
</tr>
<tr>
<td>Jeff Roy</td>
<td>73,996</td>
<td>110,995(5)</td>
<td>6.76</td>
<td>9/4/2027</td>
<td>52,854</td>
<td>79,282</td>
</tr>
<tr>
<td></td>
<td>31,712</td>
<td>47,570(5)</td>
<td>17.96</td>
<td>9/4/2027</td>
<td>31,712</td>
<td>47,570</td>
</tr>
<tr>
<td></td>
<td>7,928</td>
<td>11,892(5)</td>
<td>6.76</td>
<td>9/4/2027</td>
<td>7,928</td>
<td>11,892</td>
</tr>
<tr>
<td>Stephen Hartman</td>
<td>50,661</td>
<td>33,774(6)</td>
<td>6.61</td>
<td>3/2/2027</td>
<td>36,153</td>
<td>24,101</td>
</tr>
<tr>
<td></td>
<td>36,153</td>
<td>24,101(6)</td>
<td>10.39</td>
<td>3/2/2027</td>
<td>36,153</td>
<td>24,101</td>
</tr>
<tr>
<td></td>
<td>21,723</td>
<td>14,482(6)</td>
<td>17.96</td>
<td>3/2/2027</td>
<td>21,723</td>
<td>14,482</td>
</tr>
<tr>
<td></td>
<td>79,281</td>
<td>52,855(6)</td>
<td>6.61</td>
<td>5/22/2027</td>
<td>79,281</td>
<td>52,855</td>
</tr>
<tr>
<td></td>
<td>16,887</td>
<td>67,548(7)</td>
<td>8.14</td>
<td>11/12/2028</td>
<td>16,887</td>
<td>67,548</td>
</tr>
<tr>
<td></td>
<td>12,051</td>
<td>48,203(7)</td>
<td>12.68</td>
<td>11/12/2028</td>
<td>12,051</td>
<td>48,203</td>
</tr>
<tr>
<td></td>
<td>12,051</td>
<td>48,203(7)</td>
<td>17.23</td>
<td>11/12/2028</td>
<td>12,051</td>
<td>48,203</td>
</tr>
<tr>
<td></td>
<td>7,241</td>
<td>28,964(7)</td>
<td>21.78</td>
<td>11/12/2028</td>
<td>7,241</td>
<td>28,964</td>
</tr>
<tr>
<td>Jay Nadler</td>
<td>863,098</td>
<td>--</td>
<td>6.61</td>
<td>3/2/2027</td>
<td>1,970,422</td>
<td>12/31/2022</td>
</tr>
<tr>
<td></td>
<td>1,970,422</td>
<td>--</td>
<td>10.39</td>
<td>3/2/2027</td>
<td>1,970,422</td>
<td>12/31/2022</td>
</tr>
<tr>
<td></td>
<td>1,970,422</td>
<td>--</td>
<td>14.18</td>
<td>3/2/2027</td>
<td>1,970,422</td>
<td>12/31/2022</td>
</tr>
<tr>
<td></td>
<td>1,182,226</td>
<td>--</td>
<td>17.96</td>
<td>3/2/2027</td>
<td>1,182,226</td>
<td>12/31/2022</td>
</tr>
<tr>
<td>Annette Thomas</td>
<td>477,541</td>
<td>--</td>
<td>6.76</td>
<td>12/31/2022</td>
<td>341,044</td>
<td>12/31/2022</td>
</tr>
<tr>
<td></td>
<td>341,044</td>
<td>--</td>
<td>10.39</td>
<td>12/31/2022</td>
<td>341,044</td>
<td>12/31/2022</td>
</tr>
<tr>
<td></td>
<td>204,679</td>
<td>--</td>
<td>17.96</td>
<td>12/31/2022</td>
<td>204,679</td>
<td>12/31/2022</td>
</tr>
</tbody>
</table>

(1) Represents stock options allocated to Mr. Stead. As further described under “Pre-Merger Compensation” above, the stock options were provided for in the Sponsor Agreement, the terms of which were negotiated on an arm’s length basis among the parties thereto.

(2) 40% of each of Mr. Hanks’ option awards expiring on March 2, 2027 was vested as of December 31, 2019 and 20% will vest on each of March 1, 2020; March 1, 2021; and March 1, 2022.

(3) 60% of Mr. Hanks’ option award expiring on May 22, 2027 was vested as of December 31, 2019 and 20% will vest on each of October 3, 2020 and October 3, 2021.

(4) 20% of each of Mr. Ahmed’s option awards was vested as of December 31, 2019 and 20% will vest on each of February 13, 2020; February 13, 2021; February 13, 2022; and February 13, 2023.

(5) 40% of each of Mr. Roy’s option awards was vested as of December 31, 2019 and 20% will vest on each of July 1, 2020; July 1, 2021; and July 1, 2022.

(6) 60% of each of Mr. Hartman’s option awards expiring on March 2, 2027 and May 22, 2027 were vested as of December 31, 2019 and 20% will vest on each of October 3, 2020 and October 3, 2021.

(7) 20% of each of Mr. Hartman’s option awards expiring on November 12, 2028 were vested as of December 31, 2019 and 20% will vest on each of November 13, 2020; November 13, 2021; November 13, 2022; and November 13, 2023.

(8) Represents the value of Mr. Stead’s allocated and unissued 1,000,000 Merger Shares based on the $16.80 closing price of Clarivate stock on December 31, 2019. The Merger Shares are further described under “Pre-Merger Compensation” above.
Option Exercises and Stock Vested in 2019 Table

The following table provides information concerning stock options that were exercised by the NEOs during fiscal year 2019. Only Mr. Nadler exercised options. None of our NEOs received shares upon vesting of stock awards during fiscal year 2019.

<table>
<thead>
<tr>
<th>Name</th>
<th>Number of Shares Acquired Upon Exercise (#)</th>
<th>Value Realized on Exercise ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jay Nadler</td>
<td>2,357,997(1)</td>
<td>24,457,399</td>
</tr>
</tbody>
</table>

(1) Mr. Nadler used a net share exercise method through which 918,401 shares were withheld for the option exercise price, and 1,439,596 shares were issued to Mr. Nadler.

Pension Benefits and Nonqualified Deferred Compensation

We do not provide any pension plan, supplemental retirement plan, or deferred compensation plan benefits to our NEOs. We do provide company matches to employee contributions to qualified retirement plans and these are reported as All Other Compensation in the Summary Compensation Table.

Employment Contracts

Our CEO does not have an employment agreement.

**NEO Agreements, other than CEO**

In prior years, we entered in employment agreements with Messrs. Hanks, Ahmed, Roy, and Hartman.

On March 1, 2017, the Company entered into an employment agreement with Mr. Hanks. Mr. Hanks’ employment agreement provides for an annual base salary to be reviewed at the discretion of management and the Compensation Committee and each salary adjustment is dependent on performance. Mr. Hanks is eligible to (a) participate in the AIP and is entitled to participate in employee benefits plans, programs and arrangements as are customarily accorded to our executives, and (b) participate in our 2019 Incentive Plan. In the event of an involuntary termination without cause, Mr. Hanks is eligible to receive 18 months’ of annual base salary continuation and a payment equal to 1.5 times his AIP target, as well as 18 months’ of continued benefits coverage. Payment of severance is contingent upon Mr. Hanks entering into a separation agreement, including a release of claims, with the Company. There is no eligibility for severance benefits if Mr. Hanks voluntarily resigns or the Company terminates him for cause. Mr. Hanks’ employment agreement does not constitute a contract of employment, does not entitle him to employment for any specified period and employment will continue to be considered “at will.”

Under his stock option agreements, Mr. Hanks is subject to confidentiality and intellectual property provisions and 12-month post-termination restrictive covenants related to non-competition and non-solicitation of employees and customers. His stock option agreements provide for accelerated vesting in the event of a Liquidity Event.

On January 1, 2018, the Company entered into an employment agreement with Mr. Ahmed, which constitutes a UK contract of employment. Mr. Ahmed’s employment agreement provides for an annual base salary to be reviewed at the discretion of management and the Compensation Committee and each salary adjustment is dependent on performance. Mr. Ahmed is eligible to (a) participate in the AIP and is entitled to participate in employee benefits plans, programs and arrangements as are customarily accorded to our executives, and (b) participate in our 2019 Incentive Plan. In the event of an involuntary termination without cause as defined in the agreement, Mr. Ahmed is eligible to receive one year of annual salary. Payment of severance is contingent upon Mr. Ahmed entering into a separation agreement, including a release of claims, with the Company. There is no eligibility for severance benefits if Mr. Ahmed voluntarily resigns or the Company terminates him for cause. Under the terms of his employment agreement, Mr. Ahmed is subject to confidentiality and intellectual property provisions and 12-month post-termination restrictive covenants related to non-competition and non-solicitation of employees, customers and suppliers.

Mr. Ahmed’s stock option agreements provide for accelerated vesting in the event of a Liquidity Event.
On September 5, 2017, the Company entered into an employment agreement with Mr. Roy. Mr. Roy’s employment agreement provides for an annual base salary to be reviewed at the discretion of management and the Compensation Committee and each salary adjustment is dependent on performance. Mr. Roy is eligible to (a) participate in the AIP and is entitled to participate in employee benefits plans, programs and arrangements as are customarily accorded to our executives, and (b) participate in our 2019 Incentive Plan. In the event of an involuntary termination without cause, Mr. Roy is entitled to receive 52 weeks’ severance of annual base salary continuation and 52 weeks’ continued benefits coverage. Mr. Roy is also entitled to be paid a prorated bonus if he is terminated without cause on or after April 1 of the year of termination. Payment of severance is contingent upon Mr. Roy entering into a separation agreement, including a release of claims, with the Company. There is no eligibility for severance benefits if Mr. Roy voluntarily resigns or the Company terminates him for cause. Mr. Roy’s employment agreement does not constitute a contract of employment, does not entitle him to employment for any specified period and employment will continue to be considered “at will.”

Under his stock option agreements, Mr. Roy is subject to confidentiality and intellectual property provisions and 12-month post-termination restrictive covenants related to non-competition and non-solicitation of employees and customers. His stock option agreements provide for accelerated vesting in the event of a Liquidity Event as defined in the 2019 Incentive Plan.

On April 22, 2013, the Company entered into an employment agreement with Mr. Hartman which constitutes a UK contract of employment. Mr. Hartman’s employment agreement provides for an annual base salary to be reviewed at the discretion of management and the Compensation Committee and each salary adjustment is dependent on performance. Mr. Hartman is eligible to participate in the AIP and is entitled to participate in employee benefits plans, programs and arrangements as are customarily accorded to our executives. Mr. Hartman’s employment agreement does not entitle him to severance in any termination event. Under the terms of his employment agreement, Mr. Hartman is subject to confidentiality and intellectual property provisions and six-month post-termination restrictive covenants related to non-competition and non-solicitation of employees, customers and suppliers. Mr. Hartman’s stock option agreements provide for accelerated vesting in the event of a Liquidity Event.

**Former CEO Agreements**

Prior to 2019, the Company had an employment agreement with Mr. Nadler that provided for the following benefits in the event his employment was involuntarily terminated without “cause” (as defined in his employment agreement), subject to Mr. Nadler executing and not revoking a release of claims in favor of the Company: cash severance equal to 18 months’ of annual base salary continuation and payment of his AIP incentive at 1.5 times target payout for the year of termination, payment equal to the value of welfare benefits under the Consolidated Omnibus Budget Reconciliation Act of 1985 ("COBRA") for the earlier to occur of (a) 18 months (the severance period), (b) the date he is no longer eligible for welfare benefits under COBRA, or (c) the date when he is eligible to receive benefits from a subsequent employer, and acceleration of stock options due to vest in the 12 month period following the termination date, with exercisability through the earlier of 18 months following the termination date or the full original term of the stock options. Additionally, to the extent unpaid as of his termination date, Mr. Nadler was entitled to a cash payment equivalent to the annual incentive for the prior year on the basis of actual performance achieved.

In April 2019, prior to the close of the Merger, Mr. Nadler’s employment agreement was amended to provide increased benefits in the event his employment was involuntarily terminated without “cause,” subject to Mr. Nadler executing and not revoking a release of claims in favor of the Company, including cash severance equal to 24 months’ of annual base salary continuation and payment of his AIP incentive at two times his target payout for the year of termination, and payment equal to the value of welfare benefits under COBRA for the earlier to occur of (a) 24 months (the severance period), (b) the date he is no longer eligible for welfare benefits under COBRA, or (c) the date when he is eligible to receive benefits from a subsequent employer. Mr. Nadler’s employment agreement was further amended to provide that, in the event of his termination without cause within 12 months following a “change in control” (as defined in his employment agreement), the vesting of all outstanding, unvested stock options would be accelerated and the options would remain exercisable through the earlier of 24 months following the termination date or the full original term of the options.
Upon his separation from the Company in June 2019, we entered into a separation agreement that provided the following benefits, subject to Mr. Nadler entering into a release of claims in favor of the Company:

- A severance payment of $3,000,000, which represents two times the sum of annual base salary and target AIP incentive which is payable in equal monthly installments over the 24-month period following the termination date
- Payment in an amount equal to the Company’s portion of payments which would have been required to be paid to continue medical, dental and vision coverage for Mr. Nadler and his dependents under the Company’s group healthcare plans under COBRA if Mr. Nadler and his dependents elect COBRA coverage for a 24-month period (the “COBRA Payment”)
- Accelerated vesting of 5,006,501 stock options which remain exercisable for the remainder of their term
- A contribution of $35,000 towards legal fees related to his separation
- In exchange for Mr. Nadler’s ongoing advisory services to the Company through December 31, 2019, (x) a payment of $350,000 in equal monthly installments beginning on July 1, 2019 through December 31, 2019, (y) an amount equal to six times the monthly amount of the COBRA Payment in equal monthly installments beginning on July 1, 2019 through December 2019, and (z) a payment of $800,000 relating to his target AIP incentive to be paid in March 2020.

In the separation agreement, Mr. Nadler agreed to abide by the restrictive covenants included in his amended employment agreement, including a 24-month post-termination non-competition covenant. Mr. Nadler’s continued severance is subject to his remaining in compliance with these covenants through the 24-month payment period.

**Former Officer Agreement**

Effective September 18, 2019, we entered into a separation agreement with Dr. Thomas. In recognition of the terms of Dr. Thomas’s employment agreement, her tenure and her agreement to release the Company from any and all claims, Dr. Thomas received certain payments described below. These payments were made in British Pounds Sterling and are reported here in U.S. currency, using a GBP:USD exchange rate of 1.274.

- A payment of $254,283 for payment in lieu of her 3 months’ notice period related to salary and benefits, including accrued annual leave
- A severance payment of $2,293,200 representing 12 months annual base salary and two times the sum of target AIP incentive
- Accelerated vesting of 818,584 stock options
- A contribution of $12,740 towards legal fees related to her separation

In the separation agreement Dr. Thomas agreed to abide by the confidentiality and intellectual property covenants set forth in her original employment agreement, in addition to the restrictive covenants set forth in her separation agreement, including a 12-month post-termination non-competition covenant.
Potential Payments Upon Termination or Change in Control

The information in the table below provides the estimated value of compensation that would have been paid to each of the NEOs in the event the NEO was involuntarily terminated by the Company for reason other than cause on December 31, 2019. Messrs. Stead and Hartman are not entitled to any payments upon termination. Other than the accelerated vesting of stock options that would occur in a Liquidity Event, none of the current NEOs would receive additional payments or benefits should their terminations be related to or following a change in control.

<table>
<thead>
<tr>
<th>Name</th>
<th>Salary and AIP(1) ($)</th>
<th>Continued benefits(1) ($)</th>
<th>Equity awards ($)</th>
<th>Consulting services ($)</th>
<th>Legal fees ($)</th>
<th>Notice fees(2) ($)</th>
<th>Total ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jerre Stead</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Richard Hanks</td>
<td>1,387,500</td>
<td>31,309</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>1,418,809</td>
</tr>
<tr>
<td>Mukhtar Ahmed</td>
<td>573,300</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>573,300</td>
</tr>
<tr>
<td>Jeff Roy</td>
<td>832,500</td>
<td>23,329</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>855,829</td>
</tr>
<tr>
<td>Stephen Hartman</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Jay Nadler(3)</td>
<td>3,000,000</td>
<td>45,690</td>
<td>24,267,554(4)</td>
<td>1,150,000</td>
<td>35,000</td>
<td>--</td>
<td>28,498,244</td>
</tr>
<tr>
<td>Annette Thomas(3)</td>
<td>2,293,200</td>
<td>--</td>
<td>5,009,752(4)</td>
<td>--</td>
<td>12,750</td>
<td>254,283</td>
<td>7,569,985</td>
</tr>
</tbody>
</table>

(1) See “Employment Contracts” for a description of how salary, AIP and continued benefits are determined for each NEO.
(2) Under UK employment law, a payment may be made in lieu of a termination notice period. We have not reported such a notice payment for our current NEOs based in the UK as they may be required to remain in service through the notice period.
(3) Amounts reported for Mr. Nadler and Dr. Thomas reflect actual values pursuant to their respective termination agreements.
(4) The vesting of Mr. Nadler’s and Dr. Thomas’ unvested stock options was accelerated in connection with their terminations. The values shown are equal to the difference between the value of Clarivate stock on Mr. Nadler’s and Dr. Thomas’ respective termination dates less the applicable exercise prices of the accelerated options, multiplied by the number of accelerated options.

Other than Mr. Stead, whose stock options are currently vested, each NEO’s stock options provide for accelerated vesting in the event of a Liquidity Event. There are no other benefits to the NEOs in the event of a Liquidity Event or other form of change in control. The information in the table below provides the value of unvested stock options that would have been accelerated had there been a Liquidity Event on December 31, 2019.

<table>
<thead>
<tr>
<th>Name</th>
<th>Value of accelerated stock options(1) ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jerre Stead</td>
<td>--</td>
</tr>
<tr>
<td>Richard Hanks</td>
<td>3,790,839</td>
</tr>
<tr>
<td>Mukhtar Ahmed</td>
<td>2,882,685</td>
</tr>
<tr>
<td>Jeff Roy</td>
<td>1,949,702</td>
</tr>
<tr>
<td>Stephen Hartman</td>
<td>1,883,944</td>
</tr>
</tbody>
</table>

(1) The value of the stock options is calculated by multiplying (x) the difference between $16.80, the closing price of our stock on December 31, 2019 and the exercise price, by (y) the number of stock options accelerated. Stock options that have an exercise price greater than $16.80 are not included in the calculation above.
CEO Pay Ratio

Below is (i) the 2019 annual total compensation of our CEO; (ii) the 2019 annual total compensation of our median employee; (iii) the ratio of the annual total compensation of our CEO to that of our median employee; and (iv) the methodology we used to calculate our CEO pay ratio.

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>CEO Annual Total Compensation</td>
<td>$16,598,115</td>
</tr>
<tr>
<td>Median Employee Annual Total Compensation</td>
<td>$51,217</td>
</tr>
<tr>
<td>Estimated CEO to Median Employee Pay Ratio</td>
<td>324:1</td>
</tr>
</tbody>
</table>

As noted in the footnotes to the “Summary Compensation Table” and in “Pre-Merger Compensation,” Mr. Stead received Merger Shares and stock options in connection with the Merger. While we are required to report the Merger Shares and stock options designated for Mr. Stead as compensation under the rules of the SEC, these equity grants were received by Mr. Stead in his role as a founder of Churchill and were part of the terms of the Merger, which were negotiated on an arm’s length basis among the parties to the Sponsor Agreement, and not a decision of the Compensation Committee. The Merger Shares and stock options were not part of his CEO compensation, as determined by the Compensation Committee. If the values of the Merger Shares and stock options are excluded from the CEO Pay Ratio, the ratio is as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>CEO Annual Total Compensation (excluding Merger Shares and stock options related to the Merger)</td>
<td>$698,115</td>
</tr>
<tr>
<td>Median Employee Annual Total Compensation</td>
<td>$51,217</td>
</tr>
<tr>
<td>Estimated CEO to Median Employee Pay Ratio</td>
<td>14:1</td>
</tr>
</tbody>
</table>

Methodology

Our CEO pay ratio is a reasonable estimate calculated in a manner consistent with SEC rules. Our methodology and process are explained below.

- Employee population: We selected December 1, 2019 as the date to determine the median employee. At that time, we had approximately 4,624 employees globally, comprised of 1,396 employees located in the U.S. and 3,228 employees located outside of the U.S.
- We included all full-time, part-time, seasonal and temporary employees worldwide, excluding our CEO, except that we relied on the De Minimis Exemption to decrease the number of countries where we obtained data. The impact of this exemption is less than 5% of our workforce, as permitted by the De Minimis Exemption. We excluded the 217 employees in the jurisdictions identified below.

<table>
<thead>
<tr>
<th>Country</th>
<th>Number of employees excluded</th>
</tr>
</thead>
<tbody>
<tr>
<td>Austria</td>
<td>1</td>
</tr>
<tr>
<td>Azerbaijan</td>
<td>1</td>
</tr>
<tr>
<td>Brazil</td>
<td>16</td>
</tr>
<tr>
<td>Canada</td>
<td>20</td>
</tr>
<tr>
<td>Chile</td>
<td>2</td>
</tr>
<tr>
<td>Colombia</td>
<td>1</td>
</tr>
<tr>
<td>Czech Republic</td>
<td>4</td>
</tr>
<tr>
<td>Denmark</td>
<td>8</td>
</tr>
<tr>
<td>Egypt</td>
<td>1</td>
</tr>
<tr>
<td>Finland</td>
<td>1</td>
</tr>
<tr>
<td>Hong Kong</td>
<td>2</td>
</tr>
<tr>
<td>Ireland</td>
<td>1</td>
</tr>
<tr>
<td>Italy</td>
<td>17</td>
</tr>
<tr>
<td>Kazakhstan</td>
<td>2</td>
</tr>
<tr>
<td>Korea, Republic of</td>
<td>32</td>
</tr>
<tr>
<td>Mexico</td>
<td>8</td>
</tr>
<tr>
<td>New Zealand</td>
<td>21</td>
</tr>
<tr>
<td>Poland</td>
<td>3</td>
</tr>
<tr>
<td>Russian Federation</td>
<td>12</td>
</tr>
<tr>
<td>Singapore</td>
<td>28</td>
</tr>
<tr>
<td>South Africa</td>
<td>4</td>
</tr>
<tr>
<td>Taiwan</td>
<td>12</td>
</tr>
<tr>
<td>Thailand</td>
<td>1</td>
</tr>
<tr>
<td>Turkey</td>
<td>2</td>
</tr>
<tr>
<td>Ukraine</td>
<td>1</td>
</tr>
<tr>
<td>United Arab Emirates</td>
<td>16</td>
</tr>
</tbody>
</table>

- Of the 4,407 employees included in the CEO Pay Ratio calculation, 1,396 were in the U.S. and 3,011 were located outside of the U.S.
- Median employee: For purposes of this calculation, for each employee we used total base pay (including commissions, allowances, and additional month pay where applicable). We identified employees within $1,000 of the median and removed those employees who had anomalous compensation characteristics to determine the median employee. We then calculated the compensation of the median employee using the same methodology we used to calculate the CEO’s compensation reported in the Summary Compensation Table.
- SEC rules for identifying the median employee and calculating the pay ratio based on that employee’s annual total compensation allow companies to adopt a variety of methodologies, to apply certain exclusions, and to make reasonable estimates and assumptions that reflect
their employee populations and compensation practices. As a result, the pay ratio reported by other companies may not be comparable to the pay ratio reported above, as other companies have different employee populations and compensation practices and may utilize different methodologies, exclusions, estimates and assumptions in calculating their own pay ratios. In addition, the median employee’s annual total compensation is unique to that individual, and therefore, is not an indicator of the annual total compensation of any other individual or group of employees.

The following table and accompanying footnotes present information relating to the beneficial ownership of our ordinary shares as of December 31, 2019 and shows the number of shares and percentage of outstanding common shares owned by:

- each person or entity who is known by us to own beneficially 5% or more of our common shares;
- each of our directors and executive officers, individually; and
- all directors and executive officers as a group.

Unless otherwise indicated, the business address of each of the individuals is c/o Clarivate Analytics Plc, Friars House, 160 Blackfriars Road, London, SE1 8EZ, UK.

<table>
<thead>
<tr>
<th>Beneficial Owner</th>
<th>Number</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Five Percent Holders:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Onex&lt;sup&gt;(1)&lt;/sup&gt;</td>
<td>92,240,031</td>
<td>30.1%</td>
</tr>
<tr>
<td>Baring&lt;sup&gt;(2)&lt;/sup&gt;</td>
<td>35,871,123</td>
<td>11.7%</td>
</tr>
<tr>
<td>T. Rowe Price Associates, Inc.&lt;sup&gt;(3)&lt;/sup&gt;</td>
<td>37,968,527</td>
<td>12.4%</td>
</tr>
<tr>
<td><strong>Directors and Executive Officers:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Jerre Stead&lt;sup&gt;(4)&lt;/sup&gt;</td>
<td>12,505,963</td>
<td>4.1%</td>
</tr>
<tr>
<td>Sheryl von Blucher&lt;sup&gt;(5)&lt;/sup&gt;</td>
<td>3,556,684</td>
<td>1.2%</td>
</tr>
<tr>
<td>Martin Broughton&lt;sup&gt;(6)&lt;/sup&gt;</td>
<td>532,279</td>
<td>*</td>
</tr>
<tr>
<td>Kosty Gilis&lt;sup&gt;(7)&lt;/sup&gt;</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Balakrishnan S. Iyer&lt;sup&gt;(8)&lt;/sup&gt;</td>
<td>532,279</td>
<td>*</td>
</tr>
<tr>
<td>Michael Klein&lt;sup&gt;(9)&lt;/sup&gt;</td>
<td>19,878,342</td>
<td>6.5%</td>
</tr>
<tr>
<td>Nicholas Macksey&lt;sup&gt;(10)&lt;/sup&gt;</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Karen G. Mills&lt;sup&gt;(11)&lt;/sup&gt;</td>
<td>532,279</td>
<td>*</td>
</tr>
<tr>
<td>Charles E. Moran</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Amir Motamedi&lt;sup&gt;(12)&lt;/sup&gt;</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Anthony Munk&lt;sup&gt;(13)&lt;/sup&gt;</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Charles J. Nera&lt;sup&gt;(14)&lt;/sup&gt;</td>
<td>26,427</td>
<td>*</td>
</tr>
<tr>
<td>Matthew Scattarella&lt;sup&gt;(15)&lt;/sup&gt;</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Mukhtar Ahmed&lt;sup&gt;(16)&lt;/sup&gt;</td>
<td>132,136</td>
<td>*</td>
</tr>
<tr>
<td>Richard Hanks&lt;sup&gt;(17)&lt;/sup&gt;</td>
<td>437,108</td>
<td>*</td>
</tr>
<tr>
<td>Stephen Hartman&lt;sup&gt;(18)&lt;/sup&gt;</td>
<td>404,339</td>
<td>*</td>
</tr>
<tr>
<td>Jeff Roy&lt;sup&gt;(19)&lt;/sup&gt;</td>
<td>219,344</td>
<td>*</td>
</tr>
<tr>
<td>All directors and executive officers as a group (17 individuals)</td>
<td>38,757,180</td>
<td>12.6%</td>
</tr>
</tbody>
</table>

*Less than one percent.
Includes: (i) 33,597,790 ordinary shares held by Onex Partners IV LP, (ii) 2,258,718 ordinary shares held by Onex Partners IV PV LP, (iii) 236,521 ordinary shares held by Onex Partners IV Select LP, (iv) 977,150 ordinary shares held by Onex Partners IV GP LP, (v) 1,258,995 ordinary shares held by Onex US Principals LP, (vi) 31,896,163 ordinary shares held by Onex Partners Holdings LLC, (vii) 2,019,440 ordinary shares held by New PCO II Investment Ltd. and (viii) 19,993,254 ordinary shares held by Onex Camelot Co-Invest LP. Onex Corporation, a corporation whose subordinated voting shares are traded on the Toronto Stock Exchange, and/or Mr. Gerald W. Schwartz, may be deemed to beneficially own the ordinary shares held by (a) Onex Partners IV LP, through Onex Corporation’s ownership of all of the equity of Onex Partners Canadian GP Inc., which owns all of the equity of Onex Partners IV GP Limited, the general partner of Onex Partners IV GP LP, the general partner of Onex Partners IV LP, (b) Onex Partners IV PV LP, through Onex Corporation’s ownership of all of the equity of Onex Partners Canadian GP Inc., which owns all of the equity of Onex Partners IV GP Limited, the general partner of Onex Partners IV GP LP, the general partner of Onex Partners IV PV LP, (c) Onex Partners IV Select LP, through Onex Corporation’s ownership of all of the equity of Onex Partners Canadian GP Inc., which owns all of the equity of Onex Partners IV GP Limited, the general partner of Onex Partners IV GP LP, the general partner of Onex Partners IV Select LP, (d) Onex Partners IV GP LP, through Onex Corporation’s ownership of all of the equity of Onex Partners Canadian GP Inc., which owns all of the equity of Onex Partners IV GP Limited, the general partner of Onex Partners IV GP LP, (e) Onex US Principals LP, through Onex Corporation’s ownership of all of the equity of Onex American Holdings II LLC, which owns all of the equity of Onex American Holdings GP LLC, the general partner of Onex US Principals LP, (f) Onex Partners Holdings LLC, through Onex Corporation’s ownership of all of the equity of Onex American Holdings II LLC, which owns all of the equity of Onex American Holdings Subco III LLC, which in turn owns all of the equity of Onex Partners Holdings LLC, (g) New PCO II Investment Ltd., through Gerald W. Schwartz’s indirect control of 1597257 Ontario Inc., which owns all of the voting equity of New PCo II Investments Ltd., and (h) Onex Camelot Co-Invest LP, through Onex Corporation’s ownership of all of the equity of Onex Partners Canadian GP Inc., which owns all of the equity of Onex Partners IV GP Limited, the general partner of Onex Partners IV GP LP, the general partner of Onex Camelot Co-Invest LP. Mr. Gerald W. Schwartz, the Chairman, President and Chief Executive Officer of Onex Corporation, indirectly owns shares representing a majority of the voting rights of the shares of Onex Corporation, and as such may be deemed to beneficially own all of the ordinary shares beneficially owned by Onex Corporation. Mr. Schwartz disclaims such beneficial ownership. The address for Onex Corporation and Mr. Schwartz is 161 Bay Street, Toronto, ON M5J 2S1 Canada.

The Baring Asia Private Equity Fund VI, L.P.1 (“Fund VI1”) and The Baring Asia Private Equity Fund VI, L.P.2 (“Fund VI2”) and certain affiliates indirectly hold approximately 35,871,123 ordinary shares. The general partner of Fund VI1 and Fund VI2 is Baring Private Equity Asia GP VI, L.P. (“Fund VI GP”). The general partner of Fund VI GP is Baring Private Equity Asia GP VI Limited (“Fund VI Limited”). As the sole shareholder of Fund VI Limited, Jean Eric Salata may be deemed to have voting and dispositive power with respect to the shares beneficially owned by Fund VI and Fund VI2 and their affiliates, but disclaims beneficial ownership of such shares. The address of Fund VI GP, Fund VI Limited, and Jean Eric Salata is c/o Maples Corporate Services Limited, 390 GT Ugland House, South Church Street, Georgetown, Grand Cayman, Cayman Islands.

The information in the table above is based solely on information contained in this shareholder’s Schedule 13D or Schedule 13G under the Exchange Act filed by such shareholder with the SEC. The address of T. Rowe Price Associates, Inc. is 100 East Pratt Street, Baltimore, Maryland 21202.

Includes (i) 3,540,963 shares held by Mr. Stead, (ii) 1,000,000 ordinary shares held by JMJS Group - II, LP, an affiliate of Mr. Stead, (iii) 1,000,000 ordinary shares held by Mr. Stead issuable upon the exercise of options exercisable, and (iv) 6,965,000 ordinary shares issuable upon the exercise of warrants held by Mr. Stead.

Includes 3,282,684 ordinary shares. The columns reflecting shares beneficially owned after the offering also include 274,000 ordinary shares issuable upon the exercise of warrants held by Ms. von Blucher.

Includes (i) 258,279 ordinary shares and (ii) 274,000 ordinary shares issuable upon the exercise of warrants.

Does not include ordinary shares held by funds managed by an affiliate of Onex Corporation. Mr. Gilis is a managing director of Onex Corporation. Mr. Gilis does not have voting or investment power with respect to the shares held by such funds.
Includes (i) 258,279 ordinary shares and (ii) 274,000 ordinary shares issuable upon the exercise of warrants held by the Iyer Family Trust dated 1/25/2001. Mr. Iyer, as trustee, has voting and investment power over these shares.

Includes (i) 500,000 ordinary shares held by Mr. Klein, (ii) 5,655,738 ordinary shares held by Garden State Capital Partners LLC, (iii) 3,695,778 ordinary shares held by M. Klein Associates, Inc., and (iv) 4,026,826 ordinary shares and 6,000,000 ordinary shares issuable upon the exercise of warrants held by M. Klein Associates, Inc. and Garden State, respectively. Mr. Klein holds an equity interest in and is the sole stockholder of M. Klein Associates, Inc. In such capacities, Mr. Klein is deemed to have voting and investment power over these shares. The address of Garden State Capital Partners LLC and M. Klein Associates, Inc. is 640 Fifth Avenue, 12th Floor, New York, NY 10019.

Does not include ordinary shares held by funds managed by an affiliate of Baring. Mr. Macksey is a managing director of Baring. Mr. Macksey does not have voting or investment power with respect to the shares held by such funds.

Includes (i) 129,140 ordinary shares held by Mills Family I, LLC, (ii) 137,000 ordinary shares issuable upon the exercise of warrants held by Mills Family I, LLC, (iii) 129,139 ordinary shares held by K&BM LP and (iv) 137,000 ordinary shares issuable upon the exercise of warrants held by K&BM LP. Ms. Mills is the managing member of Mills Family I, LLC and the general partner of K&BM LP, and in such capacities has voting and investment power over the shares held by such entities.

Does not include ordinary shares held by funds managed by an affiliate of Onex Corporation. Mr. Motamedi is a managing director of Onex Corporation. Mr. Motamedi does not have voting or investment power with respect to the shares held by such funds.

Does not include ordinary shares held by funds managed by an affiliate of Onex Corporation. Mr. Munk is a managing director of Onex Corporation. Mr. Munk does not have voting or investment power with respect to the shares held by such funds.

Includes 26,427 ordinary shares.

Does not include ordinary shares held by funds managed by an affiliate of Baring. Mr. Scattarella is a managing director of Baring. Mr. Scattarella does not have voting or investment power with respect to the shares held by such funds.

Includes 132,136 ordinary shares issuable upon the exercise of options.

Includes 437,108 ordinary shares issuable upon the exercise of options.

Includes (i) 132,137 ordinary shares and (ii) 272,202 ordinary shares issuable upon the exercise of options.

Includes 219,344 ordinary shares issuable upon the exercise of options.
Item 13. Certain Relationships and Related Transactions, and Director Independence

Transactions Involving Related Persons

Sponsor Agreement

In connection with the January 2019 execution of the execution of the agreement pursuant to which we agreed to merge with Churchill Capital Corp, the founders of Churchill Capital Corp, which include our directors Jerre Stead (our Executive Chairman and Chief Executive Officer) and our directors Michael S. Klein, Sheryl von Blucher, Martin Broughton, Karen G. Mills, Balakrishnan S. Iyer and certain of their affiliates, entered into the Sponsor Agreement.

Under the Sponsor Agreement, Mr. Stead, Ms. Blucher, and M. Klein Associates, Inc. and Garden State, affiliates of Mr. Klein (one of our directors), agreed with Clarivate to accept certain performance and time vesting conditions on certain Clarivate shares to be received by them in exchange for Churchill Capital Corp common stock purchased by them at or before Churchill Capital Corp's initial public offering in September 2018, as well as on all of the Clarivate warrants to be received by them in exchange for Churchill Capital Corp warrants, in connection with the closing of the merger. Both performance and time vesting conditions applied to half of Mr. Stead's, Ms. von Blucher's and M. Klein Associates, Inc.'s Clarivate shares that were subject to vesting conditions (5,309,712 in aggregate), and time (but not performance) vesting conditions apply to the other half of their Clarivate shares that were subject to vesting conditions (5,309,712 in aggregate). Both performance and time vesting conditions applied to all of their and Garden State’s Clarivate warrants (17,265,826 in aggregate).

Pursuant to the performance vesting conditions, and subject to the time vesting conditions described below, half of the Clarivate shares held by Mr. Stead, Ms. von Blucher, and M. Klein Associates, Inc. that were subject to performance vesting conditions would vest upon Clarivate’s shares trading at $15.25 per share or above for 40 days in any 60-day period commencing on the first public sale by Onex and Baring of their ordinary shares (or, if earlier, the first anniversary of the closing of the merger) and during the three-and-a-half year period after closing of the merger, and the other half of their performance-based vesting shares and all of their and Garden State’s respective warrants would vest upon Clarivate’s shares trading at $17.50 per share or above for such a 40-day period during the five-year period after the closing of the merger.

Pursuant to the time vesting conditions, the Clarivate shares held by Mr. Stead, Ms. von Blucher, and M. Klein Associates, Inc. that were not subject to performance vesting conditions would vest in three equal annual installments beginning on the first anniversary of the closing of the merger, while the Clarivate shares and warrants that were subject to performance vesting conditions would vest over the period of time between the first and third anniversaries of the closing of the merger.

In August 2019, Clarivate (on its behalf and on behalf of its subsidiaries) agreed to waive the performance and time vesting conditions for all Clarivate shares and warrants subject to such conditions held by Mr. Stead, Ms. von Blucher, M. Klein Associates, Inc. and Garden State. These shares and warrants held by Mr. Stead, Ms. von Blucher, M. Klein Associates, Inc. and Garden State nevertheless remain subject to a lock-up for a period ranging from two to three years following the closing of the merger.

In the year ended December 31, 2019, the Company recognized additional share-based compensation expense related to the modification of certain awards under the 2019 Incentive Award Plan.

Additionally, under the Sponsor Agreement, Clarivate agreed to issue 7,000,000 ordinary shares to persons designated by Messrs. Stead and Klein, including themselves, upon Clarivate's achievement of a closing share price on the NYSE of at least $20.00 per share for 40 days over a 60 consecutive trading day period on or before the sixth anniversary of the closing of the merger. In January 2020, our board agreed to waive this performance vesting condition, and all such shares are expected to be issued to persons designated by Messrs. Stead and Klein prior to December 31, 2020. As further described in "Pre-Merger Compensation" above, these shares are referred to as "Merger Shares."

Registration Rights Agreement

Onex, Baring, the founders of Churchill Capital Corp and certain other pre-merger shareholders were granted registration rights in connection with the closing of our merger with Churchill Capital Corp.

171
**Shareholders Agreement and Director Nomination Agreement**

In connection with consummation of our merger with Churchill Capital Corp, Onex, Baring the founders of Churchill Capital Corp and certain other shareholders entered into a Shareholders Agreement and a Director Nomination Agreement. Pursuant to the Shareholders Agreement, Onex and Baring have the right to nominate a majority of the members of the board of directors until such time as Onex and Baring beneficially own less than 60% of the ordinary shares held by them immediately after the closing of the merger, and continue to have the right to nominate directors in a declining number based on their aggregate beneficial ownership percentage of the ordinary shares held by them immediately after the closing of the merger. Matters over which Onex and Baring will, directly or indirectly, exercise control include:

- the election of our board of directors and the appointment and removal of our officers;
- mergers and other business combination transactions requiring shareholder approval, including proposed transactions that would result in our shareholders receiving a premium price for their shares; and
- amendments to our articles of association.

Pursuant to the Director Nomination Agreement entered into in connection with our merger with Churchill Capital Corp, Mr. Stead, the Designated Shareholder, has the right to designate up to four nominees for the election to our board of directors for so long as Onex and Baring own at least 20% of their initial ordinary shares.

The directors are required to ensure that any individual nominated pursuant to the articles of association, the Director Nomination Agreement and the Shareholders Agreement shall be nominated for election as a director at the next general meeting of Clarivate, and such individual shall be appointed if approved by ordinary resolution at such general meeting.

**Tax Receivable Agreement**

In connection with our merger with Churchill Capital Corp, we entered into a tax receivable agreement with Onex, Baring and certain other pre-merger shareholders of the Company. The tax receivable agreement generally would have required us to pay the counterparties 85% of the amount of cash savings, if any, realized (or, in some cases, deemed to be realized) as a result of the utilization of certain tax assets. In August 2019, we entered into an agreement pursuant to which all of our future payment obligations under the tax receivable agreement would terminate in exchange for a payment of $200,000, which we made in November 2019.

**Consulting Services and Advisory Agreements**

In connection with our merger with Churchill Capital Corp, an affiliate of Onex received a consulting fee of $5,400 and an affiliate of Baring received a consulting fee of $2,100, for the year ended December 31, 2019. Churchill also engaged Klein Group, an affiliate of Michael Klein, to act as its financial advisor in connection with our merger with Churchill Capital Corp for an aggregate advisory fee of $12,500.

**Other**

A controlled affiliate of Baring is a vendor of ours. Total payments to this vendor were $765 for the year ended December 31, 2019. The Company had an outstanding liability of $160 as of December 31, 2019.

A former member of our key management is the Co-founder of a vendor of ours. Total payments to this vendor were $278 for the year ended December 31, 2019. The Company had an outstanding liability of $0 December 31, 2019.

**Independence of Directors**

We adhere to the rules of the NYSE in determining whether a director is independent. The NYSE listing standards generally define an “independent director” as a person, other than an executive officer of a company or any other individual having a relationship which, in the opinion of the issuer’s board of directors, would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. The board has determined that Sheryl von Blucher, Martin Broughton, Kosty Gilis, Balakrishnan S. Iyer, Nicholas Macksey, Charles E. Moran, Karen G. Mills, Amir Motamedi, Anthony Munk, Charles J. Neral and Matthew Scattarella are independent directors.
Meetings and Committees of the Board of Directors

Clarivate has established a separately standing audit committee, nominating and corporate governance committee, risk committee, and compensation committee.

Nominating and Corporate Governance Committee Information

Clarivate has established a nominating and corporate governance committee of the board of directors comprised of Messrs. Gilis, Macksey and Moran and Ms. von Blucher. The nominating and corporate governance committee has a written charter. The nominating and corporate governance committee is responsible for overseeing the selection of persons to be nominated to serve on Clarivate’s board of directors.

Guidelines for Selecting Director Nominees

The nominating and corporate governance committee will consider persons identified by its members, management, shareholders, investment bankers and others. The guidelines for selecting nominees, which are specified in the nominating and corporate governance committee charter, generally provide that persons to be nominated:

- should have demonstrated notable or significant achievements in business, education or public service;
- should possess the requisite intelligence, education and experience to make a significant contribution to the board of directors and bring a range of skills, diverse perspectives and backgrounds to its deliberations; and
- should have the highest ethical standards, a strong sense of professionalism and intense dedication to serving the interests of the shareholders.

The nominating and corporate governance committee will consider a number of qualifications relating to management and leadership experience, background and integrity and professionalism in evaluating a person’s candidacy for membership on the board of directors. The nominating and corporate governance committee may require certain skills or attributes, such as financial or accounting experience, to meet specific board needs that arise from time to time and will also consider the overall experience and makeup of its members to obtain a broad and diverse mix of board members. The nominating and corporate governance committee will not distinguish among nominees recommended by shareholders and other persons.

Compensation Committee Information

The board of directors of Clarivate has established a compensation committee. The compensation committee consists of Messrs. Gilis, Motamedi, and Macksey and Ms. von Blucher. The compensation committee has a written charter. The purpose of the compensation committee is to review and approve compensation paid to Clarivate’s officers and directors and to administer Clarivate’s incentive compensation plans, including authority to make and modify awards under such plans.

Any award made pursuant to an individual subject to the requirements of Section 16 of the Exchange Act must consist of a committee of two or more members of the board who are “nonemployee directors” as defined in Rule 16b-3(d)(1) under the Exchange Act.

Each of the members of the audit, nominating and corporate governance and compensation committee is independent under the applicable listing standards.

173
Item 14. Principal Accounting Fees and Services

In connection with the audit of the Company’s financial statements for the fiscal year ended December 31, 2019, we entered into an engagement letter with PricewaterhouseCoopers LLP that sets forth the terms by which PricewaterhouseCoopers LLP performed audit services for us. Aggregate fees for professional services rendered for us by PricewaterhouseCoopers LLP for the fiscal year ended December 31, 2019 and 2018, respectively, were as follows:

<table>
<thead>
<tr>
<th>Service Description</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(in thousands)</td>
<td></td>
</tr>
<tr>
<td>Audit Fees</td>
<td>$4,965</td>
<td>$7,621</td>
</tr>
<tr>
<td>Audit-Related Fees</td>
<td>250</td>
<td>325</td>
</tr>
<tr>
<td>Tax Fees</td>
<td>895</td>
<td>1,310</td>
</tr>
<tr>
<td>All Other Fees</td>
<td>8</td>
<td>8</td>
</tr>
<tr>
<td>Total</td>
<td>$6,118</td>
<td>$9,264</td>
</tr>
</tbody>
</table>

Audit Fees. Audit fees consist of fees billed for professional services rendered for the audit of our Consolidated Financial Statements, the statutory audit of our subsidiaries, the review of our Interim Consolidated Financial Statements, and other services provided in connection with statutory and regulatory filings.

Audit-Related Fees. Audit-related fees consist of fees billed for assurance and related services that are reasonably related to the performance of the audit or review of the Company’s Consolidated Financial Statements and are not reported under “Audit Fees.” These services may include employee benefit plan audits, due diligence services related to acquisitions and divestitures, auditing work in proposed transactions, attestation services that are not required by regulation or statute and consultations regarding financial accounting or reporting standards. For 2019, audit-related fees included approximately $250 for consultations regarding reporting standards. For 2018, audit-related fees included approximately $325 for due diligence services rendered related to divestitures.

Tax Fees. Tax fees consist of tax compliance consultants, preparation of tax reports, and other tax services.

All Other Fees. All other fees for 2019 and 2018 consisted of license fees for utilization of technical databases.
PART IV

EXHIBIT INDEX

2.1 Agreement and Plan of Merger, dated as of January 14, 2019, by and among Churchill Capital Corp, Clarivate Analytics Plc, Camelot Holdings (Jersey) Limited, CCC Merger Sub, Inc. and Camelot Merger Sub (Jersey) Limited (incorporated by reference to Annex A-1 to Amendment No. 4 to Clarivate’s Registration Statement on Form F-4, filed on April 25, 2019)

2.2 Amendment No. 1 to the Agreement and Plan of Merger, dated February 26, 2019 (incorporated by reference to Amendment No. 4 to Clarivate’s Registration Statement on Form F-4, filed on April 25, 2019)

2.3 Amendment No. 2 to the Agreement and Plan of Merger, dated March 29, 2019 (incorporated by reference to Amendment No. 4 to Clarivate’s Registration Statement on Form F-4, filed on April 25, 2019)

2.4 Share Purchase Agreement, dated January 17, 2020 by and among PEL Holdings (Jersey) Limited and Onex Partners IV LP (on behalf of certain limited partners), Clarivate Analytics Plc, Camelot Holdings (Jersey) Limited and Camelot Merger Sub (Jersey) Limited (incorporated by reference to Annex A to Amendment No. 3 to Clarivate’s Registration Statement on Form F-4, filed on April 22, 2019)

3.1 Amended and Restated Memorandum of Association and Articles of Association of Clarivate Analytics Plc incorporated by reference to Exhibit 3.1 to Clarivate’s Registration Statement on Form F-4, filed on May 17, 2019)

4.1 Warrant Agreement between Continental Stock Transfer & Trust Company and Churchill Capital Corp (incorporated by reference to Exhibit 4.4 to Churchill Capital Corp’s Form 8-K, filed on September 12, 2018)

4.2 Indenture dated as of October 3, 2016 among Camelot Finance S.A., as Issuer, the guarantors party thereto and Wilmington Trust, National Association, as trustee governing the 7.875% Notes due 2024 (incorporated by reference to Exhibit 4.6 to Clarivate’s Registration Statement on Form F-4, filed on February 27, 2019)

4.3 Indenture dated as of October 31, 2019 among Camelot Finance S.A., as Issuer, the guarantors party thereto and Wilmington Trust, National Association, as trustee governing the 4.50% Senior Secured Notes due 2026 (incorporated by reference to Exhibit 4.1 to Clarivate’s Form 6-K, filed on November 5, 2019)

4.4 Form of 4.50% Senior Secured Note due 2026 (incorporated by reference to Exhibit A to Exhibit 4.1 to Clarivate’s Form 6-K, filed on November 5, 2019)

4.5* Description of Securities Registered Pursuant to Section 12 of the Securities Exchange Act of 1934

10.1 Form of Director and Officer Indemnification Agreement (incorporated by reference to Exhibit 10.4 to Amendment No. 2 to Clarivate’s Registration Statement on Form F-4, filed on April 15, 2019)

10.2 Sponsor Agreement (incorporated by reference to Exhibit 10.5 to Clarivate’s Registration Statement on Form F-4, filed on February 27, 2019)

10.3 Amendment No. 1 to the Sponsor Agreement (incorporated by reference to Exhibit 10.6 to Amendment No. 1 to Clarivate’s Registration Statement on Form F-4, filed on April 1, 2019)

10.4 Amendment No. 2 to the Sponsor Agreement (incorporated by reference to Exhibit 10.7 to Amendment No. 1 to Clarivate’s Registration Statement on Form F-4, filed on September 3, 2019)

10.5 Amended and Restated Shareholders Agreement (incorporated by reference to Exhibit 10.7 to Amendment No. 3 to Clarivate’s Registration Statement on Form F-4, filed on April 24, 2019)

10.6 Amended and Restated Registration Rights Agreement (incorporated by reference to Exhibit 10.6 to Amendment No. 4 to Clarivate’s Registration Statement on Form F-4, filed on April 25, 2019)

10.7 Form of Tax Receivable Agreement (incorporated by reference to Exhibit 10.7 to Amendment No. 4 to Clarivate’s Registration Statement on Form F-4, filed on April 25, 2019)

10.8 Buyout Agreement, dated August 21, 2019 among Camelot Holdings (Jersey) Limited and Onex Partners IV LP (on behalf of certain persons party thereto) (incorporated by reference to Exhibit 10.8 to Clarivate’s Registration Statement on Form F-4, filed on September 3, 2019)

10.9 Director Acknowledgement Letter (Stead) (incorporated by reference to Exhibit 10.10 to Clarivate’s Registration Statement on Form F-4, filed on September 3, 2019)

10.10 Director Acknowledgement Letter (von Blucher) (incorporated by reference to Exhibit 10.11 to Clarivate’s Registration Statement on Form F-4, filed on September 3, 2019)

10.11 Director Acknowledgement Letter (Klein) (incorporated by reference to Exhibit 10.12 to Clarivate’s Registration Statement on Form F-4, filed on September 3, 2019)

10.12 Form of Director Nomination Agreement (incorporated by reference to Exhibit 10.12 to Clarivate’s Registration Statement on Form F-4, filed on September 3, 2019)

10.13+ Clarivate Analytics Plc 2019 Incentive Award Plan (incorporated by reference to Exhibit 10.17 to Amendment No. 2 to Clarivate’s Registration Statement on Form F-4, filed on April 15, 2019)

10.14 Credit Agreement dated as of October 31, 2019 among Camelot UK Holdco Limited, Camelot UK Bidco Limited, the US Borrowers party thereto, Camelot Finance S.A., certain Restricted Subsidiaries from time to time designated thereunder as Additional Revolving Borrowers, the Subsidiary Guarantors from time to time party thereto, the several banks, financial institutions, institutional lenders and other entities from time to time party thereto as lenders, the Issuing Lenders from time to time party thereto and Bank of America, N.A., as administrative agent (incorporated by reference to Exhibit 10.1 to Clarivate’s Form 6-K, filed on November 5, 2019)

10.15* Incremental Facility Amendment, dated February 28, 2020, by and among Camelot UK Holdco Limited, Camelot UK Bidco Limited, Camelot Finance S.A., the other borrowers party thereto, the other subsidiaries of the Company party thereto, Bank of America, N.A., as administrative agent, and Citibank, N.A., as lender

10.16* Camelot Holdings (Jersey) Limited 2016 Equity Incentive Plan - Form of Option Agreement

10.17* Clarivate Analytics Plc 2019 Incentive Award Plan - Form of Restricted Stock Unit Agreement

21.1 Subsidiaries of the Registrant (incorporated by reference to Exhibit 21.1 to Amendment No. 2 to Clarivate’s Registration Statement on Form F-4, filed on April 15, 2019)
Consent of PricewaterhouseCoopers LLP (with respect to Clarivate Analytics Plc financial statements)

Powers of Attorney (included on signature page to this annual report)

Certification of our Chief Executive Officer and our Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

Certification of our Chief Executive Officer and our Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

Filed herewith.

Schedules and exhibits omitted pursuant to Item 601(a)(5) of Regulation S-K. Copies of any omitted schedule or exhibit will be furnished to the SEC upon request.

Compensatory plan or arrangement.
Item 16. Form 10-K Summary

Not applicable.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this annual report to be signed on its behalf by the undersigned, thereunto duly authorized in the City of London, United Kingdom, on March 2, 2020.

CLARIVATE ANALYTICS PLC

By: /s/ Jerre Stead

Name: Jerre Stead
Title: Executive Chairman and Chief Executive Officer

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below hereby constitutes and appoints Jerre Stead, Richard Hanks and Stephen Hartman, and each of them, individually, as the undersigned’s true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for the undersigned and in the undersigned’s name, place and stead in any and all capacities, in connection with this annual report, including to sign in the name and on behalf of the undersigned, this annual report and any and all amendments hereto, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto such attorneys-in-fact and agents full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as the undersigned might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or his substitute, may lawfully do or cause to be done by virtue hereof.
Pursuant to the requirements of the Securities Exchange Act of 1934, this annual report has been signed below by the following persons on March 2, 2020 on behalf of the registrant and in the capacities indicated.

<table>
<thead>
<tr>
<th>Name</th>
<th>Title</th>
</tr>
</thead>
<tbody>
<tr>
<td>/s/ Jerre Stead</td>
<td>Executive Chairman and Chief Executive Officer (principal executive officer)</td>
</tr>
<tr>
<td>Jerre Stead</td>
<td></td>
</tr>
<tr>
<td>/s/ Richard Hanks</td>
<td>Chief Financial Officer</td>
</tr>
<tr>
<td>Richard Hanks</td>
<td>(principal financial officer)</td>
</tr>
<tr>
<td>/s/ Christie Archbold</td>
<td>Chief Accounting Officer</td>
</tr>
<tr>
<td>Christie Archbold</td>
<td>(principal financial officer)</td>
</tr>
<tr>
<td>/s/ Sheryl von Blucher</td>
<td>Director</td>
</tr>
<tr>
<td>Sheryl von Blucher</td>
<td></td>
</tr>
<tr>
<td>/s/ Martin Broughton</td>
<td>Director</td>
</tr>
<tr>
<td>Martin Broughton</td>
<td></td>
</tr>
<tr>
<td>/s/ Kosty Gilis</td>
<td>Director</td>
</tr>
<tr>
<td>Kosty Gilis</td>
<td></td>
</tr>
<tr>
<td>/s/ Balakrishnan S. Iyer</td>
<td>Director</td>
</tr>
<tr>
<td>Balakrishnan S. Iyer</td>
<td></td>
</tr>
<tr>
<td>/s/ Michael Klein</td>
<td>Director</td>
</tr>
<tr>
<td>Michael Klein</td>
<td></td>
</tr>
<tr>
<td>/s/ Nicholas Macksey</td>
<td>Director</td>
</tr>
<tr>
<td>Nicholas Macksey</td>
<td></td>
</tr>
<tr>
<td>/s/ Karen G. Mills</td>
<td>Director</td>
</tr>
<tr>
<td>Karen G. Mills</td>
<td></td>
</tr>
<tr>
<td>/s/ Charles E. Moran</td>
<td>Director</td>
</tr>
<tr>
<td>Charles E. Moran</td>
<td></td>
</tr>
<tr>
<td>/s/ Amir Motamedi</td>
<td>Director</td>
</tr>
<tr>
<td>Amir Motamedi</td>
<td></td>
</tr>
<tr>
<td>/s/ Anthony Munk</td>
<td>Director</td>
</tr>
<tr>
<td>Anthony Munk</td>
<td></td>
</tr>
<tr>
<td>/s/ Charles J. Neral</td>
<td>Director</td>
</tr>
<tr>
<td>Charles J. Neral</td>
<td></td>
</tr>
<tr>
<td>/s/ Matthew Scattarella</td>
<td>Director</td>
</tr>
<tr>
<td>Matthew Scattarella</td>
<td></td>
</tr>
</tbody>
</table>

Section 2: EX-4.5 (EXHIBIT 4.5)

DESCRIPTION OF SECURITIES REGISTERED PURSUANT TO SECTION 12 OF THE SECURITIES EXCHANGE ACT OF 1934

Clarivate Analytics Plc (“Clarivate,” the “Company,” “our,” “us” and “we”) is a Jersey, Channel Islands public company with limited liability. Its affairs are governed by the articles of association and the Jersey Companies Law. Clarivate’s register of members is kept by Vistra (Jersey) Limited at 4th Floor, St. Paul’s Gate, 22-24 New Street, St. Helier, Jersey JE1 4TR. Our registered office is 4th Floor, St. Paul’s Gate, 22-24 New Street, St. Helier, Jersey JE1 4TR. Our secretary is Stephen Hartman of Friars House, 160 Blackfriars Road, London, SE1 8EZ, UK.

Our authorized share capital is an unlimited number of no par value shares of any class. As of December 31, 2019, there were 306,874,115 ordinary shares issued and outstanding, and no preferred shares have been issued. As of December 31, 2019, Clarivate had warrants outstanding to purchase an aggregate of 52,699,886 ordinary shares.
Our ordinary shares and warrants are listed on the New York Stock Exchange (the “NYSE”) and are registered under the Securities Exchange Act of 1934, as amended (the “Exchange Act”).

Description of Ordinary Shares

General

All of the issued and outstanding ordinary shares of Clarivate are fully paid and non-assessable. Certificates representing the outstanding ordinary shares of Clarivate are generally not issued (unless required to be issued pursuant to the articles of association) and legal title to the issued shares is recorded in registered form in the register of members. Holders of ordinary shares of Clarivate have no pre-emptive, subscription, redemption or conversion rights.

The board of directors may provide for other classes of shares, including series of preferred shares, out of the authorized but unissued share capital, which could be utilized for a variety of corporate purposes, including future offerings to raise capital for corporate purposes or for use in employee benefit plans. Such additional classes of shares will have such voting powers (full or limited or without voting powers), designations, preferences and relative, participating, optional or other special rights and qualifications, limitations or restrictions thereof as may be determined by the board of directors. If any preferred shares are issued, the rights, preferences and privileges of holders of ordinary shares will be subject to, and may be adversely affected by, the rights of the holders of such preferred shares.

Dividends

The holders of ordinary shares are entitled to such dividends as may be declared by the board of directors of Clarivate, subject to the Jersey Companies Law and the articles of association. Dividends and other distributions on issued and outstanding ordinary shares may be paid out of the funds of Clarivate lawfully available for such purpose, subject to any preference of any outstanding preferred shares. Dividends and other distributions that are declared will be distributed among the holders of ordinary shares on a pro rata basis.
**Voting rights**

Each ordinary share entitles the holder to one vote on all matters upon which the ordinary shares are entitled to vote. Voting at any shareholders’ meeting is by way of poll.

A quorum required for a meeting of shareholders requires the presence in person or by proxy of persons holding in aggregate not less than a simple majority of all voting share capital in issue (provided that the minimum quorum for any meeting shall be two shareholders entitled to vote).

A special resolution is required for important matters such as an alteration of capital, removal of director for cause, merger or consolidation of Clarivate, change of name or making changes to the articles of association or the voluntary winding up of Clarivate.

An ordinary resolution of the shareholders requires the affirmative vote of a simple majority of the votes cast at a quorate general meeting, while a special resolution requires the affirmative vote of no less than two-thirds of the votes cast at a quorate general meeting or, in each case, a resolution in writing executed by holders of the number of ordinary shares that would be required to pass the resolution at a meeting at which all the holders were present and voting.

**Variation of rights**

The rights attached to any class of shares (unless otherwise provided by the terms of issue of that class), such as voting, dividends and the like, may be varied only with the sanction of a special resolution passed at a general meeting or by the written consent of the holders of two-thirds of the shares of that class or with the sanction of a resolution passed by a majority of not less than two-thirds of the votes cast at a separate meeting of the holders of the shares of that class. The rights conferred upon the holders of the shares of any class shall not (unless otherwise provided by the terms of issue of that class) be deemed to be varied by the creation or issue of further shares ranking in priority to or pari passu with such previously existing shares.

**Transfer of ordinary shares**

Any shareholder may transfer all or any of his or her ordinary shares by an instrument of transfer in the usual or common form or any other form prescribed by the NYSE, as the designated stock exchange under the articles of association, or as otherwise approved by the board of directors.

In addition, the articles of association prohibit the transfer of shares of Clarivate in breach of the rules or regulations of the NYSE or any relevant securities laws (including the Exchange Act).

**Liquidation**

On a return of capital on winding up or otherwise (other than on conversion, redemption or purchase of ordinary shares), assets available for distribution among the holders of ordinary shares of Clarivate shall be distributed among the holders of the ordinary shares of Clarivate on a pro rata basis.

**Directors**

**Appointment and removal**

The management of Clarivate is vested in its board of directors. The articles of association provide that there shall be a board of directors consisting of no fewer than two and no greater than 14 directors, unless increased or decreased from time to time by the board of directors or by shareholders in a general meeting. So long as shares of Clarivate are listed on the NYSE, the board of directors of Clarivate shall include such number of “independent directors” as the relevant rules applicable to the listing of such shares on the NYSE require (subject to any applicable exceptions for “controlled” companies).
The directors are divided into three classes designated as Class I, Class II and Class III, respectively. Directors of each class serve a term of three years. At each succeeding annual general meeting of shareholders of Clarivate, directors will be elected for a full term of three years to succeed the directors of the class whose terms expire at such annual general meeting. Our Class I directors are Ms. von Blucher and Messrs. Broughton, Iyer, Moran and Motamedi. Our Class II directors are Messrs. Klein, Neral and Scattarella. Our Class III directors are Messrs. Stead, Gilis, Macksey and Munk and Ms. Mills.

The directors of Clarivate shall ensure that any individual nominated pursuant to the articles of association, the Director Nomination Agreement and the Shareholders Agreement shall be nominated for election as a director at the next general meeting of Clarivate. In respect of any position on the board of directors that is not entitled to be nominated pursuant to the articles of association, the Director Nomination Agreement or the Shareholders Agreement, the directors shall have the right to nominate an individual for election as a director at the next general meeting of Clarivate. In both cases, such individual shall be appointed if approved by ordinary resolution at such general meeting. If a vacancy arises on the board of directors, the directors may fill such vacancy in accordance with the terms of the articles of association, the Director Nomination Agreement, the Shareholders Agreement, applicable law and the listing rules of the NYSE.

A director may be removed from office by the holders of ordinary shares by special resolution only for “cause” (as defined in the articles of association). In addition, a director may be removed from office by the board of directors by resolution made by the board of directors for “cause.”

The appointment and removal of directors is subject to the applicable rules of the NYSE and to the provisions of the Director Nomination Agreement and the Shareholders’ Agreement.

The detailed procedures for the nomination of persons proposed to be elected as directors at any general meeting of Clarivate are set out in the articles of association.

Indemnification of directors and officers

To the fullest extent permitted by law, the articles of association provide that the directors and officers of Clarivate shall be indemnified from and against all liability which they incur in execution of their duty in their respective offices, except liability incurred by reason of such director’s or officer’s actual fraud or willful default.

Description of Warrants

As of December 31, 2019, we had warrants outstanding to purchase an aggregate of 52,699,886 ordinary shares.

Under the terms of the warrant agreement, the Company is entitled to redeem all outstanding public warrants:

- upon not less than 30 days’ prior written notice of redemption to each warrant holder;
- if, and only if, the reported last sale price of the ordinary shares equals or exceeds $18.00 per share (as adjusted for splits, dividends, reorganizations and recapitalizations), for any 20 trading days within a 30 trading day period ending on the third business day prior to the notice of redemption to warrant holders; and
- if, and only if, there is a current registration statement in effect with respect to the shares underlying such public warrants.
The above referenced share price performance target was achieved as of February 14, 2020. On February 20, 2020, Clarivate announced that it would redeem all of its outstanding public warrants, in whole and not in part, at a redemption price of $0.01 per warrant, which would result in 4,749,616 shares being issued (assuming all such public warrants called for redemption are exercised prior to redemption). At the direction of the Company, Continental Stock Transfer & Trust Company, in its capacity as warrant agent, thereafter delivered a notice of redemption to each of the registered holders of the outstanding public warrants. On and after the redemption date, a record holder of a public warrant has no further rights except to receive the redemption price for such holder’s warrant upon surrender of such warrant.

In addition, in accordance with the warrant agreement, the Company’s board of directors elected to require that, upon delivery of the notice of redemption as aforesaid, all outstanding public warrants are to be exercised only on a “cashless basis.” Each exercising holder will thereafter pay the exercise price by surrendering the public warrants for that number of ordinary shares equal to the quotient obtained by dividing (x) the product of the number of ordinary shares underlying the public warrants, multiplied by the difference between the exercise price of the public warrants and the “fair market value” (defined below) by (y) the fair market value. “Fair market value” means the average reported last sale price of the ordinary shares for the 5 trading days ending on the third trading day prior to the date on which the notice of redemption was sent to the holders of warrants.

A holder exercising an outstanding public warrant will be deemed to pay the $11.50 per public warrant exercise price by the surrender of 0.5374 of an ordinary share that such holder would have been entitled to receive upon a cash exercise of a public warrant. Accordingly, by virtue of the cashless exercise of the outstanding public warrants, exercising public warrant holders will receive 0.4626 of an ordinary share for each outstanding public warrant surrendered for exercise. Any outstanding public warrants that remain unexercised at 5:00 p.m. New York City time on March 23, 2020 will be void and no longer exercisable, and the holders of those outstanding public warrants will be entitled to receive only the redemption price of $0.01 per outstanding warrant.

Warrants to purchase shares that were issued under the warrant agreement in a private placement simultaneously with Churchill Capital Corp’s initial public offering and still held by the initial holders thereof or their permitted transferees are not subject to the notice of redemption. The private placement warrants are identical to the public warrants sold in the Churchill IPO, except that the private placement warrants are exercisable for cash (even if a registration statement covering the shares issuable upon exercise of such public warrants is not effective) or on a cashless basis, at the holder's option, and will not be redeemable by us, in each case so long as they are still held by the initial purchasers or their affiliates.

The public warrants may be exercised upon surrender of the warrant certificate on or prior to 5:00 p.m. New York City time on March 23, 2020 at the offices of the warrant agent. The public warrant holders do not have the rights or privileges of holders of ordinary shares of Clarivate or any voting rights until they exercise their public warrants and receive ordinary shares.

Warrant holders may elect to be subject to a restriction on the exercise of their warrants such that an electing warrant holder would not be able to exercise their warrants to the extent that, after giving effect to such exercise, such holder (together with such holder’s affiliates), to the warrant agent’s actual knowledge, would beneficially own in excess of 4.9% or 9.8% (or such other amount as a holder may specify) of the ordinary shares outstanding.

No fractional shares will be issued upon exercise of the warrants. If, upon exercise of the warrants, a holder would be entitled to receive a fractional interest in a share, Clarivate will, upon exercise, round down to the nearest whole number the number of ordinary shares to be issued to the warrant holder.

Other Jersey, Channel Islands Law Considerations

Purchase of Clarivate's Own Ordinary Shares

As with declaring a dividend, Clarivate may not buy back or redeem its shares unless its directors who are to authorize the buyback or redemption have made a statutory solvency statement that, immediately following the date on which the buyback or redemption is proposed, Clarivate will be able to discharge its liabilities as they fall due and, having regard to prescribed factors, Clarivate will be able to continue to carry on business and discharge its liabilities as they fall due for the 12 months immediately following the date on which the buyback or redemption is proposed (or until Clarivate is dissolved on a solvent basis, if earlier).
If the above conditions are met, Clarivate may purchase its ordinary shares in the manner described below.

Clarivate may purchase on a stock exchange its own fully paid ordinary shares pursuant to a special resolution of its shareholders.

Clarivate may purchase its own fully paid ordinary shares other than on a stock exchange pursuant to a special resolution of its shareholders, but only if the purchase is made on the terms of a written purchase contract which has been approved in advance by an ordinary resolution of its shareholders. The shareholder from whom Clarivate proposes to purchase or redeem ordinary shares is not entitled to vote in respect of the ordinary shares to be purchased.

Clarivate may fund a redemption or purchase of its own ordinary shares from any source. It cannot purchase its ordinary shares if, as a result of such purchase, only redeemable ordinary shares would remain in issue.

If authorized by a resolution of its shareholders, any shares that Clarivate redeems or purchases may be held by it as treasury shares. Any shares held by Clarivate as treasury shares may be cancelled, sold, transferred for the purposes of or under an employee share scheme or held without cancelling, selling or transferring them. Shares redeemed or purchased by Clarivate are cancelled where Clarivate has not been authorized to hold such shares as treasury shares.

Mandatory Purchases and Acquisitions

The Jersey Companies Law provides that where a person has made an offer to acquire a class or all of Clarivate’s outstanding ordinary shares not already held by the person and has as a result of such offer acquired or contractually agreed to acquire 90% or more of such outstanding ordinary shares, that person is then entitled (and may be required) to acquire the remaining ordinary shares. In such circumstances, a holder of any such remaining ordinary shares may apply to the courts of Jersey for an order that the person making such offer not be entitled to purchase the holder’s ordinary shares or that the person purchase the holder’s ordinary shares on terms different to those under which the person made such offer.

Other than as described below under “— UK City Code on Takeovers and Mergers,” Clarivate is not subject to any regulations under which a shareholder that acquires a certain level of share ownership is then required to offer to purchase all of Clarivate’s remaining ordinary shares on the same terms as such shareholder’s prior purchase.

Compromises and Arrangements

Where Clarivate and its creditors or shareholders or a class of either of them propose a compromise or arrangement between Clarivate and its creditors or its shareholders or a class of either of them (as applicable), the courts of Jersey may order a meeting of the creditors or class of creditors or of Clarivate’s shareholders or class of shareholders (as applicable) to be called in such a manner as the court directs. Any compromise or arrangement approved by a majority in number present and voting at the meeting representing 75% or more in value of the creditors or 75% or more of the voting rights of shareholders or class of either of them (as applicable) if sanctioned by the court, is binding upon Clarivate and all the creditors, shareholders or members of the specific class of either of them (as applicable).

Whether the capital of Clarivate is to be treated as being divided into a single or multiple class(es) of shares is a matter to be determined by the court. The court may in its discretion treat a single class of shares as multiple classes, or multiple classes of shares as a single class, for the purposes of the shareholder approval referred to above taking into account all relevant circumstances, which may include circumstances other than the rights attaching to the shares themselves.
UK City Code on Takeovers and Mergers

The UK City Code on Takeovers and Mergers (the “Takeover Code”) applies, among other things, (i) to an offer for a public company whose registered office is in the Channel Islands and whose securities are admitted to trading on a regulated market or a multilateral trading facility in the United Kingdom or any stock exchange in the Channel Islands or the Isle of Man, or (ii) if the company is a public company and is considered by the Panel on Takeovers and Mergers (the “Takeover Panel”), to have its place of central management and control in the United Kingdom or the Channel Islands or the Isle of Man (in each case, a “Code Company”). This is known as the “residency test.” Under the Takeover Code, the Takeover Panel will determine whether Clarivate has its place of central management and control in the United Kingdom, the Channel Islands or the Isle of Man by looking at various factors, including the structure of Clarivate’s board of directors, the functions of the directors, and where they are resident.

If at the time of a takeover offer, the Takeover Panel determines that the residency test is satisfied and Clarivate has its place of central management and control in the United Kingdom, it would be subject to a number of rules and restrictions, including but not limited to the following: (i) Clarivate’s ability to enter into deal protection arrangements with a bidder would be extremely limited; (ii) Clarivate might not, without the approval of its shareholders, be able to perform certain actions that could have the effect of frustrating an offer, such as issuing shares or carrying out acquisitions or disposals; and (iii) Clarivate would be obliged to provide equality of information to all bona fide competing bidders. The Takeover Code also contains certain rules in respect of mandatory offers for Code Companies. Under Rule 9 of the Takeover Code, if a person:

- acquires an interest in shares of a Code Company that, when taken together with shares in which persons acting in concert with such person are interested, carry 30% or more of the voting rights of the Code Company; or
- who, together with persons acting in concert with such person, is interested in shares that in the aggregate carry not less than 30% and not more than 50% of the voting rights in the Code Company, acquires additional interests in shares that increase the percentage of shares carrying voting rights in which that person is interested, the acquirer, and, depending on the circumstances, its concert parties, would be required (except with the consent of the Takeover Panel) to make a cash offer (or provide a cash alternative) for the Code Company’s outstanding shares at a price not less than the highest price paid for any interests in the shares by the acquirer or its concert parties during the previous 12 months.

Clarivate believes that the Takeover Code applies to it at this time. However, it is possible in the future that changes in the board’s composition, changes in the Takeover Panel’s interpretation of the Takeover Code or other events may cause the Takeover Code to not apply to Clarivate.

Section 3: EX-10.15 (EXHIBIT 10.15)

INCREMENTSAL FACILITY AMENDMENT (this “Amendment”), dated as of February 28, 2020, to the Credit Agreement dated as of October 31, 2019 (as amended, restated, supplemented or otherwise modified from time to time prior to the date hereof, the “Credit Agreement”) among Camelot UK Holdco Limited, a private limited liability company incorporated under the laws of England and Wales with registered number 10314173 (“Holdings”), Camelot UK Bidco Limited, a private limited liability company incorporated under the laws of England and Wales with registered number 10267893 (“UK Holdco”), the borrowers listed on Schedule 1.1G thereto (collectively, the “US Borrowers”), Camelot Finance S.A., a public limited liability company (société anonyme) organized and established under the laws of the Grand Duchy of Luxembourg (“Luxembourg”), having its registered office at 14, rue Edward Steichen, L-2540 Luxembourg and registered with the Luxembourg Trade and Companies Register under number B 208514 (the “Lux Borrower” and, together with the US Borrowers, each a “Term Borrower”) and, collectively, the “Term Borrowers”); certain Restricted Subsidiaries from time to time designated thereunder as Additional Revolving Borrowers (together with the Lux Borrower, UK Holdco and Camelot U.S. Acquisition LLC, a limited liability company organized and established under the laws of Delaware, each a “Revolving Borrower” and, collectively, the “Revolving Borrowers”), the Subsidiary Guarantors from time to time party thereto, the several banks, financial institutions, institutional lenders and other entities from time to time party thereto as lenders (the “Lenders”), the Issuing Lenders from time to time party thereto and Bank of America, N.A., as Administrative Agent.

WHEREAS, UK Holdco intends to acquire (the “Acquisition”), directly or indirectly from the Sellers (as defined below), all of the equity interests of the Acquired Companies (as defined in the Acquisition Agreement (as defined below)) (collectively, the “Target”); pursuant to that certain Share Purchase Agreement, dated as of January 17, 2020 (together will all exhibits, annexes, schedules and other disclosure schedules and letters thereto, collectively, as modified, amended, supplemented, consented to or waived, the “Dutch Acquisition Agreement”) by and among PEL DRG Dutch Holdco B.V. (“Dutch Holdco”), Piramal Enterprises Limited (“PEL” and, together with Dutch Holdco, the “Dutch Sellers”), Clarivate Analytics (US) Holdings Inc. (the “US Purchaser”), Clarivate Analytics (Canada) Holdings Corp. (the “Canadian Purchaser”), UK Holdco and Clarivate Analytics (Singapore) Pte. Ltd. (the “Singapore Purchaser” and, together with the US Purchaser, the Canadian Purchaser and UK Bidco, the “Purchasers”) and Clarivate Analytics plc and that certain Share Purchase Agreement, to be dated as of the closing date of the Acquisition (the “Acquisition Closing Date”) (together with the exhibits and schedules thereto, as amended, supplemented or otherwise modified, the “Indian
Acquisition Agreement” and, together with the Dutch Acquisition Agreement, the “Acquisition Agreement”) by and among PEL, Piramal Consumer Products Private Limited (together with the Dutch Sellers, the “Sellers”), the US Purchaser and the Singapore Purchaser;

WHEREAS, pursuant to Section 2.25 of the Credit Agreement, the Term Borrowers have requested Incremental Term Loans (“Incremental Borrowers”) in an aggregate principal amount not exceeding $360,000,000 (the “New Term Facility” and the loans thereunder, “New Term Loans”), the proceeds of which shall be advanced to Camelot U.S. Acquisition LLC (the “Designated US Borrower”) and shall be used, together with other funds available to the Purchasers on the Acquisition Closing Date, to finance the Acquisition and to pay costs and expenses related to the Acquisition (the “Incremental Facility Transactions”);
WHEREAS, the Persons holding New Term Commitments (as defined below) are severally willing to make New Term Loans (the “New Term Lenders”) on the Amendment Effective Date (as defined below) in an aggregate amount equal to their respective New Term Commitments, subject to the terms and conditions set forth in this Amendment.

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

SECTION 1. Defined Terms. Capitalized terms used and not otherwise defined herein have the meanings assigned to them in the Credit Agreement as amended hereby.

SECTION 2. New Term Loans.

(a) Subject to the terms and conditions set forth herein, each New Term Lender severally agrees to make New Term Loans to the Incremental Borrowers on the Amendment Effective Date in an aggregate principal amount equal to its New Term Commitment, which shall be advanced to the Designated US Borrower and shall be applied in accordance with the instructions included in the funds flow memorandum attached to the Borrowing Request delivered pursuant to Section 5(h) hereof. The “New Term Commitment” of any New Term Lender will be the amount set forth opposite such New Term Lender’s name on Schedule 1 hereto. Once borrowed, New Term Loans paid or prepaid may not be reborrowed.

(b) The New Term Loans shall comprise a single Class with the Initial Term Loans, and accordingly, shall have identical terms as the Initial Term Loans after giving effect to this Amendment (including, without limitation, with respect to the Applicable Margin, Term Loan Maturity Date, scheduled amortization and terms of prepayment), and shall otherwise be subject to the provisions of the Credit Agreement and the other Loan Documents. The Incremental Borrowers shall use the proceeds of the New Term Loans as set forth in Section 4.19 of the Credit Agreement (as amended hereby).

(c) On the Amendment Effective Date, each New Term Lender party hereto irrevocably consents to this Amendment and all modifications to the Credit Agreement contemplated hereby.

(d) Upon the occurrence of the Amendment Effective Date, each New Term Lender shall have the rights and obligations of a Lender under the Credit Agreement and under any other applicable Loan Documents.

(e) Holdings, each Incremental Borrower and each other Loan Party acknowledges and agrees that (i) the New Term Loans shall constitute Obligations and have all the benefits thereof and the Incremental Borrowers shall be liable for all Obligations with respect to all New Term Loans made to the Incremental Borrowers pursuant to the Credit Agreement as amended by this Amendment and (ii) all such Obligations shall constitute Guaranteed Obligations and shall be secured by the Liens granted to the Administrative Agent for the benefit of the Secured Parties (including the New Term Lenders) and entitled to the benefits of the Collateral Documents and the Guarantee.

(f) The parties hereto agree that for purposes of the calculation of the all-in yield of the New Term Loans pursuant to Section 2.25 (a)(vii) of the Credit Agreement, the New Term Loans and the Initial Term Loans shall be deemed to have an identical all-in yield, which all-in yield shall equal the all-in yield of the Initial Term Loans funded on the Closing Date, notwithstanding any difference in the amount of original issue discount or upfront fees applicable to the New Term Loans, on the one hand, and the Initial Term Loans, on the other.
SECTION 3. Amendments. In accordance with Sections 2.25 and 11.1 of the Credit Agreement and effective as of the Amendment Effective Date, the Credit Agreement is hereby amended to delete the stricken text (indicated textually in the same manner as the following example: stricken text) and to add the double-underlined text (indicated textually in the same manner as the following example: double-underlined text) as set forth in the conformed copy of the Credit Agreement attached as Annex A hereto.

SECTION 4. Representations and Warranties. To induce the other parties hereto to enter into this Amendment, Holdings, the Incremental Borrowers and each other Loan Party represents and warrants to the other parties hereto on the Amendment Effective Date that:

(a) Power; Authorization; Enforceable Obligations.

(i) Holdings, each Incremental Borrower and each other Loan Party has the corporate or other organizational power and authority, and the legal right, to enter into, make, deliver and perform this Amendment and, in the case of the Incremental Borrowers, to obtain and, in the case of the Guarantors, to guarantee, extensions of credit hereunder and under the Credit Agreement. Holdings, each Incremental Borrower and each other Loan Party has taken all necessary corporate or other organizational action to authorize the execution, delivery and performance of this Amendment and, in the case of the Incremental Borrowers, to authorize the extensions of credit and, in the case of the Guarantors, the guarantee thereof, on the terms and conditions of this Amendment and the Credit Agreement.

(ii) No Governmental Approval or consent or authorization of, filing with, notice to or other act by or in respect of, any other Person is required in connection with the extensions of credit hereunder or with the execution, delivery, performance and validity or (under the laws of England and Wales or Luxembourg) to make admissible this Amendment in the courts of England and Wales or Luxembourg, except (i) Governmental Approvals, consents, authorizations, filings and notices that have been obtained or made and are in full force and effect, (ii) the filings referred to in Section 4.15 of the Credit Agreement, (iii) the Perfection Requirements and (iv) as would not reasonably be expected to result in a Material Adverse Effect.

(iii) This Amendment has been duly executed and delivered on behalf of Holdings, each Incremental Borrower and each other Loan Party. This Amendment constitutes a legal, valid and binding obligation of Holdings, each Incremental Borrower and each other Loan Party, enforceable against Holdings, each Incremental Borrower and each other Loan Party in accordance with its terms, except as enforceability may be limited by any Legal Reservations.

(b) No Legal Bar. The execution, delivery and performance of this Amendment, the borrowings and guarantees under this Amendment and the Credit Agreement and the use of the proceeds thereof (i) will not violate (x) any Requirement of Law, (y) any Contractual Obligation of Holdings or any Group Member that is material to Holdings and its Subsidiaries, taken as a whole, or (z) the Organizational Documents of Holdings, each Incremental Borrower and each other Loan Party, except, in the case of clauses (x) and (y), as would not reasonably be expected to result in a Material Adverse Effect and (ii) will not result in, or require, the creation or imposition of any Lien on any of their respective properties or revenues pursuant to any Requirement of Law, any such Organizational Documents or any such Contractual Obligation (other than the Liens created by the Security Documents and Permitted Liens).
(c) The representations and warranties of Holdings, the Incremental Borrowers and each other Loan Party set forth in Sections 4.3(a), 4.10, 4.12, 4.16 (after giving effect to this Amendment and the Acquisition and tested as of the Amendment Effective Date instead of as of the Closing Date) and 4.17 (solely as it relates to the use of proceeds of the New Term Loans) of the Credit Agreement are true and correct in all material respects (and in all respects if any such representation and warranty is already qualified by materiality) on and as of the Amendment Effective Date immediately before (in the case of the Credit Agreement) and immediately after (in the case of the Credit Agreement as amended by this Amendment) giving effect thereto.

SECTION 5. Amendment Effective Date. This Amendment shall become effective as of the first date (the “Amendment Effective Date”) on which each of the following conditions shall have been satisfied (or waived by the Administrative Agent):

(a) the Administrative Agent shall have received a counterpart signature page of this Amendment duly executed by Holdings, each Incremental Borrower and each Loan Party, the Administrative Agent and each New Term Lender;

(b) the Administrative Agent (or its counsel) shall have received (i) an Officer’s Certificate of or on behalf of Holdings, each Incremental Borrower and each other Loan Party, dated the Amendment Effective Date, in substantially the form delivered on the Closing Date, with appropriate insertions and attachments, including copies of resolutions of the Board of Directors and/or similar governing bodies of Holdings, each Incremental Borrower and each Loan Party approving and authorizing the execution, delivery and performance of this Amendment and, in the case of the Incremental Borrowers, the borrowings hereunder and under the Credit Agreement, certified organizational authorizations (if required by applicable law or customary for market practice in the relevant jurisdiction), incumbency certifications, the certificate of incorporation or other similar Organizational Documents of Holdings, each Incremental Borrower and each other Loan Party certified by the relevant authority of the jurisdiction of organization, registration or incorporation of Holdings, each Incremental Borrower and each other Loan Party (only where customary in the applicable jurisdiction) and bylaws or other similar Organizational Documents of Holdings, each Incremental Borrower and each other Loan Party certified by a Responsible Officer as being in full force and effect on the Amendment Effective Date, (ii) a good standing certificate (to the extent such concept exists in the relevant jurisdictions) for Holdings, each Incremental Borrower and each other Loan Party from its jurisdiction of organization, registration or incorporation and (iii) in relation to the Lux Borrower, (1) an up-to-date electronic certified true and complete excerpt of the Companies Register dated no earlier than one Business Day prior to the Amendment Effective Date, (2) a solvency certificate dated as of the Amendment Effective Date (signed by a director or authorized signatory) that it is not subject to nor, as applicable, does it meet or threaten to meet the criteria of insolvency, voluntary or judicial liquidation (liquidation volontaire ou judiciaire), composition with creditors (concordat préventif de faillite), controlled management (gestion contrôlée), reprieve from payment (sursis de paiement), general settlement with creditors, reorganization or similar laws affecting the rights of creditors generally and no application has been made or is to be made by its director or, as far as it is aware, by any other Person for the appointment of a commissaire, juge-commissaire, liquidateur, curateur or similar officer pursuant to any voluntary or judicial insolvency, winding-up, liquidation or similar proceedings, (3) an up-to-date electronic certified true and complete certificate of non-registration of judgments (certificat de non-inscription d’une décision judiciaire), issued by the Companies Register no earlier than one Business Day prior to the Amendment Effective Date and reflecting the situation no more than two Business Days prior to the Amendment Effective Date certifying that, as of the date of the day immediately preceding such certificate, the Lux Borrower has not been declared bankrupt (en faillite), and that it has not applied for general settlement or composition with creditors (concordat préventif de la faillite), controlled management (gestion contrôlée), or reprieve from payment (sursis de paiement), judicial liquidation (liquidation judiciaire) or the appointment of a temporary administrator (administrateur provisoire), such other proceedings listed at Article 13, items 2 to 12 and Article 14 of the Luxembourg Act dated December 19, 2002 on the Register of Commerce and Companies, on Accounting and on Annual Accounts of the Companies (as amended from time to time) (and which include foreign court decisions as to faillite, concordat or analogous procedures according to Regulation (EU) 2015/848 of the European Parliament and of the Council of 20 May 2015 on insolvency proceedings (recast)) and (4) an electronic certified copy of the resolution of its directors (or similar body) approving the Loan Documents to which it is a party and approving the execution, delivery and performance of, and authorizing named persons to sign the Loan Documents to which it is party and any documents to be delivered by it under any of the same;
(c) the Administrative Agent shall have received the Security Documents set forth on Schedule 2 hereto executed and delivered by the Loan Parties party thereto;

(d) the Administrative Agent (or its counsel) shall have received a customary written opinion of (i) Davis Polk & Wardwell LLP, in its capacity as special New York counsel for Holdings and the Subsidiary Guarantors, (ii) Morris, Nichols, Arsht & Tunnell LLP, in its capacity as special Delaware counsel for Holdings and the Subsidiary Guarantors, (iii) Fried, Frank, Harris, Shriver & Jacobson LLP, in its capacity as English law counsel to Holdings and the New Term Lenders, (iv) Loyens & Loeff Luxembourg S.A.R.L, in its capacity as special Luxembourg counsel to the Lux Borrower and (v) NautaDutilh Avocats Luxembourg S.à.r.l., in its capacity as Luxembourg law counsel to the Administrative Agent and the New Term Lenders;

(e) the Administrative Agent (to the extent reasonably requested in writing at least 10 Business Days prior to the Amendment Effective Date) shall have received, at least four Business Days prior to the Amendment Effective Date, all documentation and other information about the Incremental Borrowers that the Administrative Agent reasonably determines to be required by Governmental Authorities under applicable “know your customer” and anti-money-laundering rules and regulations, including without limitation the Patriot Act and Beneficial Ownership Regulation;

(f) the Administrative Agent and the Incremental Arrangers shall have received all fees and other amounts due and payable on or prior to the Amendment Effective Date, including amounts required to be paid pursuant to Section 11.5 of the Credit Agreement and all reasonable out-of-pocket expenses required to be paid on the Amendment Effective Date for which reasonably detailed invoices have been presented (including the reasonable fees and expenses of legal counsel to the Administrative Agent) to the Borrower Representative at least three Business Days prior to the Amendment Effective Date (or such later date as the Borrower Representative may reasonably agree), which amounts may be offset against the proceeds of the New Term Facility;

(g) the Administrative Agent shall have received, for the ratable account of the existing Term Lenders immediately prior to the Amendment Effective Date, all accrued and unpaid interest on the Existing Term Loans (as defined below) to, but not including, the Amendment Effective Date;
(h) the Administrative Agent shall have received a Borrowing Request in respect of the New Term Loans to be made on the Amendment Effective Date in accordance with the requirements of the Credit Agreement;

(i) no Event of Default existed as of January 17, 2020 with respect to this Amendment (after giving effect to any New Term Loans);

(j) the Administrative Agent shall have received a Solvency Certificate, certifying that Holdings and its subsidiaries, on a consolidated basis, after giving effect to this Amendment and the Acquisition, are Solvent;

(k) the Acquisition shall have been, or substantially concurrently with the initial borrowing of New Term Loans shall be, consummated in all material respects in accordance with the terms of the Acquisition Agreement, after giving effect to any modifications, amendments, consents or waivers thereto, other than those modifications, amendments, consents or waivers by the Purchasers (or their applicable affiliates) that are materially adverse to the interests of the New Term Lenders in their capacities as such, unless consented to in writing by the Incremental Facility Arrangers (such consent not to be unreasonably withheld, conditioned or delayed); provided that the Incremental Facility Arrangers shall be deemed to have consented to such modification, amendment, consent or waiver unless they object thereto in writing within two business days of receipt of written notice of such modification, amendment, consent or waiver; it being understood and agreed that (a) any modification, amendment, consent or waiver to, pursuant to, or under the definition of “Material Adverse Effect” (as defined in the Acquisition Agreement as in effect on January 17, 2020) shall be deemed materially adverse, (b) any reduction in the “Cash Consideration” or the “Stock Consideration” (in each case, as defined in the Dutch Acquisition Agreement) or the “Purchase Price” (as defined in the Indian Acquisition Agreement) shall be deemed not to be materially adverse solely as a result of such reduction, so long as any such decrease, to the extent constituting a reduction of cash consideration, is allocated to reduce the New Term Commitments on a dollar-for-dollar basis and (c) any increase in the purchase price shall be deemed not to be materially adverse so long as such increase is funded by cash of the Target or amounts otherwise available to the Borrowers, on the Amendment Effective Date or such increase is pursuant to any working capital or purchase price (or similar) adjustment provision set forth in the Acquisition Agreement;

(l) the Specified Acquisition Agreement Representations shall be true and correct in all material respects as of the Amendment Effective Date;

(m) the representations and warranties set forth in Section 4 hereto shall be true and correct in all material respects as of the Amendment Effective Date (except in the case of any such representation and warranty which expressly relates to a given date or period, such representation and warranty shall be true and correct in all material respects as of the respective date or for the respective period, as the case may be);

(n) Since the date of the Dutch Acquisition Agreement, there has occurred no fact, event or circumstance which has had or would reasonably be expected to have a “Material Adverse Effect” (as defined in the Dutch Acquisition Agreement); and
the Administrative Agent shall have received an Officer’s Certificate of the Borrower Representative to the effect that each of the conditions set forth in clauses (i), (k), (l) (solely to the Borrower Representative’s knowledge) and (n) of this Section 5 have been satisfied.

For purposes of this Section 5, “Specified Acquisition Agreement Representations” means such of the representations made by or with respect to the Target and its subsidiaries in the Acquisition Agreement as are material to the interests of the New Term Lenders, but only to the extent that Purchasers have (or Purchasers’ applicable affiliate has) the right (taking into account any cure provisions) to terminate Purchasers obligations under the Acquisition Agreement or to decline to consummate the Acquisition without liability to Purchasers as a result of a breach of such representations.

For purposes of determining whether the conditions specified in this Section 5 have been satisfied on the date hereof, by funding the New Term Loans, the Administrative Agent and each New Term Lender that has executed this Amendment shall be deemed to have approved or accepted, or to be satisfied with, each document required hereunder.

SECTION 6. Effect of Amendment.

(a) Except as expressly set forth herein, this Amendment shall not by implication or otherwise limit, impair, constitute a waiver of or otherwise affect the rights and remedies of the Lenders or Agents under the Credit Agreement or any other Loan Document, and shall not alter, modify, amend or in any way affect any of the terms, conditions, obligations, covenants or agreements contained in the Credit Agreement or any other provision of the Credit Agreement or of any other Loan Document, all of which are ratified and affirmed in all respects and shall continue in full force and effect. Nothing herein shall be deemed to entitle the Incremental Borrowers to a consent to, or a waiver, amendment, modification or other change of, any of the terms, conditions, obligations, covenants or agreements contained in the Credit Agreement or any other Loan Document in similar or different circumstances.

(b) From and after the Amendment Effective Date, (i) each reference in the Credit Agreement to “this Agreement”, “hereunder”, “hereof”, “herein”, or words of like import, and each reference to the “Credit Agreement” in any other Loan Document shall be deemed a reference to the Credit Agreement as amended hereby and (ii) each reference in any Loan Document to the “Term Lenders”, “Initial Term Loans”, “Term Loans” or “Term Facility” shall be deemed to include a reference to the New Term Lenders, the New Term Loans or the New Term Facility, respectively.

(c) This Amendment shall constitute a “Loan Document” for all purposes of the Credit Agreement and the other Loan Documents and shall be deemed to be an “Incremental Amendment”, as defined in the Credit Agreement.

(d) Each party hereto acknowledges that this Amendment constitutes all notices or requests required under Section 2.25 of the Credit Agreement.

(e) The Administrative Agent and each Lender party hereto consents to an Interest Period for the New Term Loans beginning on the Amendment Effective Date and ending on the last day of the Interest Period then in effect with respect to the Initial Term Loans outstanding immediately prior to the effectiveness of this Amendment (the “Existing Term Loans”).

(f) This Amendment shall not constitute a novation of the Credit Agreement or any other Loan Document.
SECTION 7. Amendments; Severability. (a) Once effective, this Amendment may not be amended nor may any provision hereof be waived except pursuant to Section 11.1 of the Credit Agreement.

(b) Any provision of this Amendment that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

SECTION 8. Ratification and Reaffirmation. By signing this Amendment, each Loan Party hereby confirms that (a) the obligations of the Loan Parties under the Credit Agreement as modified or supplemented hereby (including with respect to the New Term Loans contemplated by this Amendment) and the other Loan Documents (i) are entitled to the benefits of the guarantees and the security interests set forth or created in the Guarantee, the Security Documents and the other Loan Documents, (ii) constitute “Obligations” “Guarantor Obligations” or other similar term for purposes of the Credit Agreement, the Guarantee, the Security Documents and the other Loan Documents, (iii) notwithstanding the effectiveness of the terms hereof, the Guarantee, the Security Documents and the other Loan Documents, are, and shall continue to be, in full force and effect and are hereby ratified and confirmed in all respects and (b) each New Term Lender shall be a “Secured Party” and a “Lender” (including without limitation for purposes of the definition of “Required Lenders” contained in Section 1.1 of the Credit Agreement) for all purposes of the Credit Agreement and the other Loan Documents. Each Loan Party ratifies and confirms that all Liens granted, conveyed, or assigned to the Collateral Agent by such Person pursuant to any Loan Document to which it is a party remain in full force and effect, are not released or reduced, and continue to secure full payment and performance of the Obligations as increased hereby.

SECTION 9. Governing Law; Submission To Jurisdiction; Waivers; Waivers Of Jury Trial. THIS AMENDMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES UNDER THIS AMENDMENT SHALL BE GOVERNED BY, AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO CONFLICT OF LAWS PRINCIPLES THAT WOULD REQUIRE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION. The provisions of Sections 11.14 and 11.18 of the Credit Agreement, as amended by this Amendment, are incorporated herein by reference, mutatis mutandis.

SECTION 10. Headings. Section headings herein are included for convenience of reference only and shall not affect the interpretation of this Amendment.

SECTION 11. Counterparts. This Amendment may be executed by one or more of the parties to this Amendment on any number of separate counterparts, and all of said counterparts taken together shall be deemed to constitute one and the same instrument. Delivery of an executed signature page of this Amendment or any document or instrument delivered in connection herewith by facsimile transmission or electronic PDF shall be effective as delivery of a manually executed counterpart of this Amendment or such other document or instrument, as applicable.

[Remainder of page intentionally left blank]
IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed and delivered by their respective officers thereunto duly authorized as of the date first written above.

HOLDINGS:

CAMELOT UK HOLDCO LIMITED

By: /s/ Stephen Hartman  
Name: Stephen Hartman  
Title: Director

BORROWERS:

CAMELOT UK BIDCO LIMITED

By: /s/ Stephen Hartman  
Name: Stephen Hartman  
Title: Director

CAMELOT U.S. ACQUISITION 1 CO.  
CAMELOT U.S. ACQUISITION 2 CO.  
CAMELOT U.S. ACQUISITION LLC

By: /s/ Richard Hanks  
Name: Richard Hanks  
Title: Chief Financial Officer

CAMELOT FINANCE S.A.

By: /s/ Stephen Hartman  
Name: Stephen Hartman  
Title: Director

By: /s/ Olga Zelenkova  
Name: Olga Zelenkova  
Title: Director

[Signature Page to Incremental Amendment]
GUARANTORS:

ATOZDOMAINSMARKET, LLC
CAMELOT U.S. ACQUISITION 4 CO.
CAMELOT U.S. ACQUISITION 5 CO.
CAMELOT U.S. ACQUISITION 6 CO.
CAMELOT U.S. ACQUISITION 7 CO.
CAMELOT U.S. ACQUISITION 8 CO.
CAMELOT U.S. ACQUISITION 9 CO.
CAMELOT U.S. ACQUISITION 10 CO.
CAMELOT U.S. ACQUISITION 11 CO.
CAMELOT U.S. ACQUISITION 12 CO.
CAMELOT U.S. ACQUISITION 13 CO.
CLARIVATE ANALYTICS (COMPUMARK) INC.
TRADEMARK VISION USA, LLC

By:  /s/ Richard Hanks
Name: Richard Hanks
Title: Chief Financial Officer

[Signature Page to Incremental Amendment]
CLARIVATE ANALYTICS (UK) LIMITED

By:  /s/ Stephen Hartman
Name:  Stephen Hartman
Title:  Director

[Signature Page to Incremental Amendment]
By:  /s/ Stephen Hartman
     ________________________________
     Name: Stephen Hartman
     Title: Director

[Signature Page to Incremental Amendment]
By: /s/ Daryl R. Barber
Name: Daryl R. Barber
Title: Senior VP – Finance & Group Treasurer

[Signature Page to Incremental Amendment]
BANK OF AMERICA, N.A.
as Administrative Agent

By: /s/ Henry Pennell
    Name: Henry Pennell
    Title: Vice President

[Signature Page to Incremental Amendment]
CITIBANK, N.A.
as New Term Lender

By:  /s/ Scott Slavik

Name: Scott Slavik
Title: Director

[Signature Page to Incremental Amendment]
<table>
<thead>
<tr>
<th>New Term Lender</th>
<th>New Term Commitment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Citibank, N.A.</td>
<td>$360,000,000.00</td>
</tr>
</tbody>
</table>
SECURITY DOCUMENTS

1. A Luxembourg law governed master security confirmation agreement relating to the existing Security Documents governed by Luxembourg law, duly executed by the Lux Borrower, Camelot UK Bidco Limited and Bank of America, N.A., as collateral agent.

2. An English law deed of confirmation relating to the existing Security Documents governed by English law, duly executed by each of the Security Providers (as defined therein) and Bank of America, N.A., as collateral agent.
CREDIT AGREEMENT

among

CAMELOT UK HOLDCO LIMITED, as Holdings,

CAMELOT UK BIDCO LIMITED, as UK Holdco and a Revolving Borrower,

THE BORROWERS SET FORTH ON SCHEDULE 1.1G, as the US Borrowers,

CAMELOT FINANCE S.A., as the Lux Borrower,

certain Restricted Subsidiaries from time to time designated hereunder as Additional Revolving Borrowers,

certain Restricted Subsidiaries from time to time party hereto as Subsidiary Guarantors,

the several Lenders and Issuing Lenders from time to time parties hereto,

and

BANK OF AMERICA, N.A., as Administrative Agent

dated as of October 31, 2019

as amended by the Incremental Facility Amendment dated as of February 28, 2020

Bank of America, N.A., Citibank, N.A., and RBC Capital Markets, LLC as Joint Lead Arrangers and Joint Bookrunners

Barclays Bank PLC, Credit Suisse Loan Funding LLC, Goldman Sachs Bank USA, and JPMorgan Chase Bank, N.A. as Joint Bookrunners

<table>
<thead>
<tr>
<th>Section</th>
<th>Subsection</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.1</td>
<td>Defined Terms</td>
<td>2</td>
</tr>
<tr>
<td>1.2</td>
<td>General Interpretive Provisions</td>
<td>87</td>
</tr>
<tr>
<td>1.3</td>
<td>Accounting</td>
<td>88</td>
</tr>
<tr>
<td>1.4</td>
<td>Limited Condition Transactions</td>
<td>89</td>
</tr>
<tr>
<td>1.5</td>
<td>Currency Equivalents Generally</td>
<td>91</td>
</tr>
<tr>
<td>1.6</td>
<td>Change in Currency</td>
<td>92</td>
</tr>
<tr>
<td>1.7</td>
<td>Luxembourg Law Terms</td>
<td>92</td>
</tr>
<tr>
<td>1.8</td>
<td>Foreign Guarantor Provisions</td>
<td>93</td>
</tr>
<tr>
<td>1.9</td>
<td>Certain Calculations</td>
<td>93</td>
</tr>
<tr>
<td>1.10</td>
<td>Delaware LLC Divisions</td>
<td>94</td>
</tr>
<tr>
<td>1.11</td>
<td>Interest Rates</td>
<td>95</td>
</tr>
<tr>
<td>2.1</td>
<td>Term Commitments</td>
<td>95</td>
</tr>
<tr>
<td>2.2</td>
<td>Procedure for Borrowing Term Loans</td>
<td>95</td>
</tr>
<tr>
<td>2.3</td>
<td>Repayment of Term Loans</td>
<td>96</td>
</tr>
<tr>
<td>2.4</td>
<td>Revolving Commitments</td>
<td>96</td>
</tr>
<tr>
<td>2.5</td>
<td>Procedure for Borrowing of Revolving Loans</td>
<td>97</td>
</tr>
<tr>
<td>2.6</td>
<td>Swingline Commitment</td>
<td>98</td>
</tr>
<tr>
<td>2.7</td>
<td>Procedure for Swingline Borrowing; Refunding of Swingline Loans</td>
<td>98</td>
</tr>
<tr>
<td>2.8</td>
<td>Commitment Fees, etc.</td>
<td>99</td>
</tr>
<tr>
<td>2.9</td>
<td>Termination or Reduction of Revolving Commitments</td>
<td>99</td>
</tr>
<tr>
<td>2.10</td>
<td>Optional Prepayments</td>
<td>99</td>
</tr>
<tr>
<td>2.11</td>
<td>Mandatory Prepayments and Commitment Reductions</td>
<td>100</td>
</tr>
<tr>
<td>2.12</td>
<td>Conversion and Continuation Options</td>
<td>103</td>
</tr>
<tr>
<td>2.13</td>
<td>Limitations on Eurocurrency Tranches</td>
<td>103</td>
</tr>
<tr>
<td>2.14</td>
<td>Interest Rates and Payment Dates</td>
<td>105</td>
</tr>
<tr>
<td>2.15</td>
<td>Computation of Interest and Fees</td>
<td>105</td>
</tr>
<tr>
<td>2.16</td>
<td>Inability to Determine Interest Rate; Illegality</td>
<td>105</td>
</tr>
<tr>
<td>2.17</td>
<td>Pro Rata Treatment and Payments; Sharing of Payments by Lenders</td>
<td>109</td>
</tr>
<tr>
<td>2.18</td>
<td>Requirements of Law</td>
<td>111</td>
</tr>
<tr>
<td>2.19</td>
<td>Taxes</td>
<td>115</td>
</tr>
<tr>
<td>2.20</td>
<td>[Reserved]</td>
<td>120</td>
</tr>
<tr>
<td>2.21</td>
<td>Indemnity</td>
<td>124</td>
</tr>
<tr>
<td>2.22</td>
<td>Change of Lending Office</td>
<td>125</td>
</tr>
<tr>
<td>2.23</td>
<td>Replacement of Lenders</td>
<td>125</td>
</tr>
<tr>
<td>2.24</td>
<td>Evidence of Debt; Notes</td>
<td>126</td>
</tr>
<tr>
<td>2.25</td>
<td>Incremental Credit Extensions</td>
<td>126</td>
</tr>
<tr>
<td>2.26</td>
<td>Refinancing Amendments</td>
<td>132</td>
</tr>
<tr>
<td>2.27</td>
<td>Defaulting Lenders</td>
<td>135</td>
</tr>
<tr>
<td>2.28</td>
<td>Loan Modification Offers</td>
<td>137</td>
</tr>
<tr>
<td>2.29</td>
<td>Currency Equivalents</td>
<td>139</td>
</tr>
<tr>
<td>2.30</td>
<td>Additional Alternative Currencies</td>
<td>139</td>
</tr>
<tr>
<td>3.1</td>
<td>L/C Commitment</td>
<td>140</td>
</tr>
<tr>
<td>3.2</td>
<td>Procedure for Issuance of Letter of Credit</td>
<td>140</td>
</tr>
<tr>
<td>3.3</td>
<td>Fees and Other Charges</td>
<td>145</td>
</tr>
<tr>
<td>3.4</td>
<td>L/C Participations</td>
<td>143</td>
</tr>
<tr>
<td>3.5</td>
<td>Reimbursement Obligation of the Revolving Borrowers</td>
<td>143</td>
</tr>
<tr>
<td>3.6</td>
<td>Obligations Absolute</td>
<td>145</td>
</tr>
<tr>
<td>3.7</td>
<td>Letter of Credit Payments</td>
<td>145</td>
</tr>
<tr>
<td>3.8</td>
<td>Applications</td>
<td>145</td>
</tr>
<tr>
<td>3.9</td>
<td>Letter of Credit Amounts</td>
<td>145</td>
</tr>
<tr>
<td>3.10</td>
<td>Alternative Currency Letters of Credit</td>
<td>146</td>
</tr>
</tbody>
</table>
SECTION 11. MISCELLANEOUS

11.1 Amendments and Waivers
11.2 Notices
11.3 No Waiver; Cumulative Remedies
11.4 Survival of Representations and Warranties
11.5 Payment of Expenses
11.6 Successors and Assigns; Participations and Assignments
11.7 [Reserved]
11.8 Adjustments; Set-off
11.9 [Reserved]
11.10 Counterparts; Electronic Execution
11.11 Severability
11.12 Integration
11.13 Governing Law
11.14 Submission To Jurisdiction; Waivers
11.15 Acknowledgements
11.16 Acknowledgement and Consent to Bail-In of EEA Financial Institutions
11.17 Confidentiality
11.18 Waivers Of Jury Trial
11.19 USA Patriot Act Notification
11.20 Maximum Amount
11.21 Lender Action
11.22 No Fiduciary Duty
11.23 [Reserved]
11.24 Conduct of Business by the Lenders
11.25 Acknowledgment Regarding Any Supported QFCs

SECTION 12. CO-BORROWER ARRANGEMENTS AND BORROWER REPRESENTATIVE

12.1 Addition of Additional Revolving Borrowers
12.2 Status of Borrowers
12.3 Resignation of Additional Revolving Borrowers
12.4 Appointment of Borrower Representative; Nature of Relationship
12.5 Powers
12.6 Employment of Agents
12.7 Execution of Loan Documents

SCHEDULES:

1.1A-1 Commitments
1.1A-2 L/C Sublimit
1.1B Agreed Security Principles
1.1C Foreign Security Documents
1.1D Permitted Investments
1.1E Permitted Liens
1.1F Existing Swap Agreements
1.1G US Borrowers
1.8 Foreign Guarantor Provisions
3.1 Existing Letters of Credit
4.9 Taxes
5.1(g) Local Counsel Opinions
6.15 Post-Closing Undertakings
7.2 Permitted Indebtedness
11.2 Administrative Agent’s Office; Certain Addresses for Notices
EXHIBITS:

A-1 Form of US Pledge Agreement
A-2 Form of US Security Agreement
B Form of Assignment and Assumption
C Form of Compliance Certificate
C-1 Form of Exemption Certificate
C-2 Form of Exemption Certificate
C-3 Form of Exemption Certificate
C-4 Form of Exemption Certificate
D [Reserved]
E Form of Prepayment Notice
F-1 Form of Revolving Loan Note
F-2 Form of Swingline Loan Note
F-3 Form of Term Loan Note
G Form of Guarantor Joinder Agreement
H Form of Borrowing and Conversion/Continuation Request
I Form of Solvency Certificate
J [Reserved]
K [Reserved]
L Form of Swingline Borrowing Request
M Form of Borrower Joinder
CREDIT AGREEMENT (this “Agreement”), dated as of October 31, 2019 and as amended by the Incremental Facility Amendment dated as of February 28, 2020, among Camelot UK Holdco Limited, a private limited liability company incorporated under the laws of England and Wales with registered number 10314173 (“Holdings”), Camelot UK Bidco Limited, a private limited liability company incorporated under the laws of England and Wales with registered number 10267893 (“UK Holdco”), the borrowers listed on Schedule 1.1G hereto (collectively, the “US Borrowers”), Camelot Finance S.A., a public limited liability company (société anonyme) organized and established under the laws of the Grand Duchy of Luxembourg (“Luxembourg”), having its registered office at 14, rue Edward Steichen, L-2540 Luxembourg and registered with the Luxembourg Trade and Companies Register (the “Companies Register”) under number B 208514 (the “Lux Borrower” and, together with the US Borrowers, each a “Term Borrower” and, collectively, the “Term Borrowers”), certain Restricted Subsidiaries from time to time designated hereunder as Additional Revolving Borrowers (together with the Lux Borrower, UK Holdco and Camelot U.S. Acquisition LLC, a limited liability company organized and established under the laws of Delaware, each a “Revolving Borrower” and, collectively, the “Revolving Borrowers” and the Revolving Borrowers, together with the Term Borrowers, each a “Borrower” and, collectively, the “Borrowers”), the Subsidiary Guarantors from time to time party hereto (including through delivery of a Guarantor Joinder Agreement in accordance with the terms of this Agreement), the several banks, financial institutions, institutional lenders and other entities from time to time party hereto as lenders (the “Lenders”), the Issuing Lenders from time to time party hereto and Bank of America, N.A., as Administrative Agent.

WITNESSETH:

WHEREAS, (i) certain of the Borrowers are party to that certain Credit Agreement originally dated as of October 3, 2016 (as amended, supplemented or otherwise modified, the “Existing Credit Agreement”) by and among, inter alios, Holdings, UK Holdco, certain of the Borrowers, certain Restricted Subsidiaries party thereto as Subsidiary Guarantors, the Lenders and Issuing Lenders party thereto and Credit Suisse AG, Cayman Islands Branch, as Administrative Agent and (ii) the Lux Borrower is party, as issuer, to that certain Indenture dated as of October 3, 2016 (as amended, supplemented or otherwise modified, the “Existing Senior Notes Indenture”) by and among, inter alios, the Lux Borrower, certain Restricted Subsidiaries party thereto as Subsidiary Guarantors and Wilmington Trust, National Association, as trustee, pursuant to which the Lux Borrower has issued those certain 7.875% Senior Notes due 2024 in an aggregate principal amount of $500,000,000 (the “Existing Senior Notes”);

WHEREAS, the Borrowers intend to effect the Closing Date Refinancing of the Existing Credit Agreement and the Existing Senior Notes Indenture;

WHEREAS, the Lux Borrower intends to issue $700,000,000 in aggregate principal amount of 4.50% senior secured notes of the Lux Borrower due 2026 (as substituted, replaced, extended, renewed, restated or refinanced, including any replacement or refinancing facility or indenture or other financing arrangement that increases or decreases the amount permitted to be borrowed or incurred thereunder or alters the maturity thereof and whether by the same or any other agent, lender or group of lenders and whether for the same or any other purpose, and any amendments, supplements, modifications, extensions, renewals, restatements, amendments and restatements or refundings thereof or any such indentures or facilities or other financing arrangement that replace or refinance such credit facility (or any subsequent replacement thereof), in each case to the extent permitted or not restricted by this Agreement, the “Senior Secured Notes”) pursuant to that certain Indenture dated as of the Closing Date (as amended, supplemented, substituted, replaced, extended, renewed, restated or refinanced or otherwise modified, the “Senior Secured Notes Indenture”) by and among, inter alios, the Lux Borrower, as issuer, the Restricted Subsidiaries party thereto as subsidiary guarantors and Wilmington Trust, National Association, as trustee;
WHEREAS, for the purposes described herein, the Lenders agreed to extend certain credit facilities consisting of (i) Term Loans made available to the Term Borrowers in an aggregate principal amount of $900,000,000 (the “Closing Date Term Loan Facility”) and (ii) Revolving Commitments (which Revolving Commitments include sub-facilities as set forth herein with respect to L/C Commitments and Swingline Commitments) made available to the Revolving Borrowers in an aggregate principal amount of $250,000,000;

WHEREAS, the Borrowers intend that a portion of the proceeds of the Facilities and/or the Senior Secured Notes shall be used to satisfy, or to make a distribution or series of distributions to Camelot Holdings (Jersey) Limited (“Camelot Jersey”) or another applicable parent entity of UK Holdco in order to enable Camelot Jersey or such parent entity to satisfy, the obligations of Camelot Jersey pursuant to that certain Buyout Agreement dated as of August 21, 2019 by and among Camelot Jersey and Onex Partners IV LP, including the making of the “Buyout Payment” as defined therein (the transactions described in this paragraph, the “TRA Payment”);

WHEREAS, each Borrower agreed to guarantee the Obligations of each other Borrower (subject to certain limitations set forth in the Loan Documents and the Agreed Security Principles);

WHEREAS, each Borrower agreed to secure all of its respective Obligations by granting to the Collateral Agent, for the benefit of the Secured Parties, a lien on substantially all of its assets (subject to certain limitations set forth in the Loan Documents and the Agreed Security Principles); and

WHEREAS, Holdings and each Subsidiary Guarantor agreed to guarantee the Obligations of each Borrower and to secure their respective Obligations by granting to the Collateral Agent, for the benefit of the Secured Parties, a lien on substantially all of its assets (subject, in each case, to certain limitations set forth in the Loan Documents and the Agreed Security Principles).

NOW, THEREFORE, the parties hereto hereby agree as follows:

SECTION 1. DEFINITIONS

1.1 Defined Terms. As used in this Agreement (including the recitals hereof), the terms listed in this Section 1.1 shall have the respective meanings set forth in this Section 1.1.

“ABR”: for any day a fluctuating rate per annum equal to the highest of (a) the Federal Funds Rate plus ½ of 1%, (b) the Prime Rate, and (c) the Eurocurrency Rate for Loans denominated in Dollars with an Interest Period of one month plus 1.0%. If ABR is being used as an alternate rate of interest pursuant to Section 2.16 hereof, then ABR shall be equal to the higher of clauses (a) and (b) above and shall be determined without reference to clause (c) above.

“ABR Loans”: Loans the rate of interest applicable to which is based upon the ABR. All ABR Loans shall be denominated in Dollars.

“Acceptable Intercreditor Agreement”: (a) the Initial Intercreditor Agreement, (b) an intercreditor or subordination agreement or arrangement the terms of which are consistent with market terms governing intercreditor arrangements for the sharing or subordination of liens or arrangements relating to the distribution of payments, as applicable, at the time the applicable agreement or arrangement is proposed to be established in light of the type of Indebtedness subject thereto (a “Market Intercreditor Agreement”) and (c) in the case of the Initial Intercreditor Agreement or in the event a Market Intercreditor Agreement has been entered into after the Closing Date, an intercreditor or subordination agreement or arrangement the terms of which are, taken as a whole, not materially less favorable to the Lenders than the terms of the Initial Intercreditor Agreement or such Market Intercreditor Agreement to the extent such agreement governs similar priorities, in each case of clause (b) or (c) as determined by the Borrower Representative and the Administrative Agent in good faith and as reasonably acceptable to the Administrative Agent.
“Acceptable Price”: as defined in the definition of “Dutch Auction.”

“Accepting Lenders”: as defined in Section 2.28(a).

“Acquired Indebtedness”: with respect to any specified Person:

(a) Indebtedness of any other Person existing at the time such other Person is merged with or into or became a Restricted Subsidiary whether or not such Indebtedness is incurred in connection with, or in contemplation of, such other Person merging with or into, or becoming a Restricted Subsidiary; and

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

provided that any Indebtedness of such Person that is extinguished, redeemed, defeased, retired or otherwise repaid at the time of or immediately upon consummation of the transaction pursuant to which such other Person becomes a Subsidiary of the specified Person will not be Acquired Indebtedness.

“Additional Lender”: at any time, any bank, financial institution or institutional lender or other entity that agrees to provide any portion of any (a) Incremental Revolving Commitments, Additional/Replacement Revolving Commitments or Incremental Term Loans pursuant to an Incremental Amendment in accordance with Section 2.25 or (b) Permitted Credit Agreement Refinancing Debt pursuant to a Refinancing Amendment in accordance with Section 2.26; provided that (i) the Administrative Agent, each Issuing Lender and the Swingline Lender shall have consented (not to be unreasonably withheld, conditioned or delayed) to such Additional Lender if such consent would be required under Section 11.6(b) for an assignment of Loans or Revolving Commitments, as applicable, to such Additional Lender, (ii) the Borrower Representative shall have consented to such Additional Lender, (iii) if such Additional Lender is an Affiliated Lender, such Additional Lender must comply with the limitations and restrictions set forth in Section 11.6(b)(iv) and (iv) such Additional Lender will become a party to this Agreement.

“Additional/Replacement Revolving Commitments”: as defined in Section 2.25(a).

“Additional Revolving Borrowers”: Restricted Subsidiaries of UK Holdco from time to time designated by the Borrower Representative to the Administrative Agent as “borrowers” with respect to the Revolving Borrowings in accordance with Section 12, and “Additional Revolving Borrower” means any one of them.

“Administrative Agent”: Bank of America, N.A., as the administrative agent for the Lenders under this Agreement and the other Loan Documents, together with any of its successors in such capacity.
“Administrative Agent’s Office”: with respect to any currency, the Administrative Agent’s address and, as appropriate, account as set forth on Schedule 11.2 with respect to such currency, or such other address or account with respect to such currency as the Administrative Agent may from time to time notify to the Borrower Representative and the Lenders.

“Affiliate”: with respect to any specified Person, 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, shall mean 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.

“Affiliated Lender”: the Sponsor, any Debt Fund Affiliate or any Non-Debt Fund Affiliate.

“Aggregate Exposure”: with respect to any Lender at any time, an amount equal to (a) until the Closing Date, the aggregate amount of such Lender’s Commitments at such time and (b) thereafter, the sum of (i) the aggregate then unpaid principal amount of such Lender’s Term Loans and (ii) the amount of such Lender’s Revolving Commitment then in effect or, if the Revolving Commitments have been terminated, the amount of such Lender’s Revolving Extensions of Credit then outstanding.

“Aggregate Exposure Percentage”: with respect to any Lender at any time, the ratio (expressed as a percentage) of such Lender’s Aggregate Exposure at such time to the Aggregate Exposure of all Lenders at such time.

“Agreed Security Principles”: the principles set forth in Section 6.9(c) and the “Agreed Security Principles” set forth on Schedule 1.1B hereto.

“Agreement”: as defined in the preamble hereto, as amended, restated, supplemented or otherwise modified from time to time in accordance with the terms and conditions hereof.

“Alternative Currency”: (i) Euros, Yen, Swiss Francs, Australian Dollars and Sterling and (ii) subject to Section 2.30, any other currency.

“Alternative Currency Letter of Credit”: as defined in Section 3.1.

“Anti-Corruption Laws”: Laws relating to anti-bribery or anti-corruption (governmental or commercial), including, without limitation, Laws that prohibit the corrupt payment, offer, promise, receipt, request or authorization of the payment or transfer of anything of value (including gifts or entertainment), directly or indirectly, including the U.S. Foreign Corrupt Practices Act of 1977, as amended, the UK Bribery Act of 2010, any Law enacted in connection with, or arising under, the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, and any other Law of any foreign or domestic jurisdiction of similar effect or that relates to bribery or corruption.

“Applicable Discount”: as defined in the definition of “Dutch Auction.”

“Applicable Jurisdiction”: (i) with respect to the Revolving Facility and/or the Term Facility, the United States, Luxembourg and England and Wales, (ii) with respect to the Revolving Facility, Germany and Spain or (iii) any other jurisdiction approved by the Revolving Lenders or the Term Lenders, as applicable, and the Administrative Agent, in each case, acting reasonably and in good faith.
“Applicable Margin”: with respect to:

(a) any Revolving Loan, (i) initially, 3.25% per annum in the case of Eurocurrency Loans and 2.25% per annum in the case of ABR Loans and (ii) from and after the first Business Day immediately following the delivery to the Administrative Agent of a Compliance Certificate (pursuant to Section 6.2(c)), commencing with the first full fiscal quarter of UK Holdco ending after the Closing Date, wherein the First Lien Net Leverage Ratio is (A) greater than 4.50 to 1.00, 3.25% per annum in the case of Eurocurrency Loans and 2.25% per annum in the case of ABR Loans, (B) less than or equal to 4.50 to 1.00 and greater than 4.00 to 1.00, 3.00% per annum in the case of Eurocurrency Loans and 2.00% per annum in the case of ABR Loans, and (C) less than or equal to 4.00 to 1.00, 2.75% per annum in the case of Eurocurrency Loans and 1.75% per annum in the case of ABR Loans;

(b) any Initial Term Loan (including the New Term Loans), (i) initially 3.25% per annum in the case of Eurocurrency Loans and 2.25% per annum in the case of ABR Loans and (ii) from and after the first Business Day immediately following the delivery to the Administrative Agent of a Compliance Certificate (pursuant to Section 6.2(c)), commencing with the first full fiscal quarter of UK Holdco ending after the Closing Date, wherein the Total Net Leverage Ratio is (A) greater than 4.50 to 1.00, 3.25% per annum in the case of Eurocurrency Loans and 2.25% per annum in the case of ABR Loans and (B) less than or equal to 4.50 to 1.00, 3.00% per annum in the case of Eurocurrency Loans and 2.00% per annum in the case of ABR Loans;

(c) any Incremental Term Loan, the Applicable Margin shall be as set forth in the Incremental Amendment relating to the Incremental Term Commitment in respect of such Incremental Term Loan;

(d) any Other Term Loan or any Other Revolving Loan, the Applicable Margin shall be as set forth in the Refinancing Amendment relating to such Loan; and

(e) any Extended Term Loan or any Extended Revolving Loan, the Applicable Margin shall be as set forth in the Loan Modification Agreement relating to such Loan.

Any increase or decrease in the Applicable Margin resulting from a change in the First Lien Net Leverage Ratio or Total Net Leverage Ratio shall become effective as of the first Business Day immediately following the date a Compliance Certificate is delivered pursuant to Section 6.2(c); provided that the pricing level as set forth above in clause (a)(ii)(A) and (b)(ii)(A), as applicable, shall apply as of (x) the first Business Day after the date on which a Compliance Certificate was required to have been delivered but was not delivered, and shall continue to so apply to and including the date on which such Compliance Certificate is so delivered (and thereafter the pricing level otherwise determined in accordance with this definition shall apply) and (y) at the option of the Required Lenders, the first Business Day after an Event of Default under Section 9.1(a) shall have occurred and be continuing, and shall continue to so apply to but excluding the date on which such Event of Default is cured or waived (and thereafter the pricing level otherwise determined in accordance with this definition shall apply).

In the event that any financial statements delivered pursuant to Section 6.1 or a Compliance Certificate delivered pursuant to Section 6.2(c) are shown to be inaccurate at any time that this Agreement is in effect and any Loans or Commitments are outstanding hereunder when such inaccuracy is discovered and such inaccuracy, if corrected, would have led to a higher Applicable Margin for any period (an “Applicable Period”) than the Applicable Margin applied for such Applicable Period, then (i) the Borrower Representative shall promptly (and in no event later than five (5) Business Days thereafter) deliver to the Administrative Agent a correct Compliance Certificate for such Applicable Period, (ii) the Applicable Margin shall be determined by reference to the corrected Compliance Certificate (but in no event shall the Lenders owe any amounts to the Borrowers) and (iii) the Borrower Representative shall pay to the Administrative Agent promptly upon demand (and in no event later than five (5) Business Days after demand) any additional interest owing as a result of such increased Applicable Margin for such Applicable Period, which payment shall be promptly applied by the Administrative Agent in accordance with the terms hereof. Notwithstanding anything to the contrary in this Agreement, any additional interest hereunder shall not be due and payable until demand is made for such payment pursuant to clause (iii) above and accordingly, any nonpayment of such interest as result of any such inaccuracy shall not constitute a Default (whether retroactively or otherwise), and no such amounts shall be deemed overdue (and no amounts shall accrue interest pursuant to Section 2.14(c)), at any time prior to the date that is five (5) Business Days following such demand.
“Applicable Requirements”: in respect of any Indebtedness, Indebtedness that satisfies the following requirements:

(a) other than Customary Bridge Financings and Indebtedness incurred pursuant to the Inside Maturity Basket, such Indebtedness does not mature prior to the Term Loan Maturity Date and does not have a Weighted Average Life to Maturity shorter than the remaining Weighted Average Life to Maturity of the Initial Term Loans determined at the time of incurrence;

(b) if such Indebtedness is secured by the Collateral, a Senior Representative acting on behalf of the holders of such Indebtedness has become party to an Acceptable Intercreditor Agreement (or any Acceptable Intercreditor Agreement has been amended or replaced in a manner reasonably acceptable to the Administrative Agent), which results in such Senior Representative having rights to share in the Collateral on a pari passu or junior basis, as applicable;

(c) [reserved];

(d) [reserved]; and

(e) the other terms and conditions of such Indebtedness (excluding pricing, fees, rate floors, premiums, optional prepayment or optional redemption provisions and financial covenants) are (i) taken as a whole, not materially less favorable to the Borrowers of such Indebtedness than those set forth in the Loan Documents (when taken as a whole) as determined by the Borrower Representative in good faith, (ii) customary for “high yield” notes of the type being incurred at the time of incurrence (it being agreed that such Indebtedness may be in the form of notes or a credit agreement) as determined by the Borrower Representative in good faith or (iii) then-current market terms (as determined by the Borrower Representative in good faith) for the applicable type of Indebtedness except in each case for covenants or other provisions contained in such Indebtedness that are applicable only after the Latest Maturity Date or added for the benefit of the existing Revolving Facility (in the case of revolving Indebtedness) or Term Facility (in the case of term Indebtedness); provided that, in the case of clause (iii), if such Indebtedness benefits from a financial covenant that is more restrictive than Section 7.1 of this Agreement, such financial covenant shall be either (A) conformed (or added) to the Loan Documents for the benefit of the Revolving Lenders pursuant to an amendment agreement between the Administrative Agent and the applicable Borrowers or (B) applicable only to periods after the Revolving Termination Date or otherwise reasonably satisfactory to the Administrative Agent provided, further, that an Officer’s Certificate signed on behalf of the Borrower Representative delivered to the Administrative Agent at least five Business Days (or a shorter period acceptable to the Administrative Agent) prior to the incurrence of such Indebtedness, together with a reasonably detailed description of the material terms and conditions of such Indebtedness or drafts of the documentation relating thereto, stating that the Borrower Representative has determined in good faith that such terms and conditions satisfy the requirements of this definition, shall be conclusive evidence that such terms and conditions satisfy the requirements of this definition, unless the Administrative Agent notifies the Borrower Representative within such five Business Day period that it disagrees with such determination (including a reasonable description of the basis upon which it disagrees).
“Applicable Security Jurisdiction”: with respect to any Loan Party organized under the laws of a Security Jurisdiction, each of (a) such Security Jurisdiction and (b) solely with respect to Equity Interests owned by such Loan Party, each other Security Jurisdiction in which any direct Subsidiary of such Loan Party that is a Loan Party is organized (it being understood that each Security Jurisdiction and its political subdivisions shall constitute a single Security Jurisdiction for purposes hereof).

“Application”: an application, in such form as the applicable Issuing Lender may specify from time to time, requesting such Issuing Lender to issue a Letter of Credit.

“Approved Commercial Bank”: a commercial bank with a consolidated combined capital surplus of at least $5,000,000,000.

“Approved Electronic Communications”: as defined in Section 11.2.

“Approved Fund”: as defined in Section 11.6(b)(ii).

“Asset Sale”: (1) the sale, conveyance, transfer or other disposition (whether in a single transaction or a series of related transactions) of property or assets (including by way of a Sale Leaseback Transaction) of UK Holdco or any Restricted Subsidiary (each referred to in this definition as a “disposition”); or (2) the issuance or sale of Equity Interests of any Restricted Subsidiary (other than (1) directors’ qualifying shares or shares or interests required to be held by non-U.S. nationals or other third parties to the extent required by applicable law or (2) Preferred Stock or Disqualified Stock of a Restricted Subsidiary issued in compliance with Section 7.2), other than by any Restricted Subsidiary to UK Holdco or another Restricted Subsidiary (whether in a single transaction or a series of related transactions), in each case other than:

(a) a sale, exchange, transfer or other disposition of cash, Cash Equivalents or Investment Grade Securities or uneconomical, obsolete, damaged, unnecessary, surplus, unsuitable or worn out equipment or any sale or disposition of property or assets in connection with scheduled turnarounds, maintenance and equipment and facility updates or any disposition of inventory or goods (or other assets) held for sale or no longer used in the ordinary course of business;

(b) the sale, conveyance, transfer or other disposition of all or substantially all of the assets of UK Holdco (on a consolidated basis) in a manner permitted pursuant to Section 7.8;

(c) any Permitted Investment or Restricted Payment that is permitted to be made, and is made, under Section 7.3;

(d) dispossession of assets, or sales or issuances of Equity Interests of any Restricted Subsidiary, with an aggregate Fair Market Value of (i) less than the greater of $15,000,000 and 5% of Consolidated EBITDA as of the most recently ended Reference Period in any single transaction or series of related transactions or (ii) less than the greater of $50,000,000 and 16% of Consolidated EBITDA as of the most recently ended Reference Period in the aggregate for all such other dispositions or issuances pursuant to this clause (ii) (and not excluded pursuant to another clause of this definition) in any fiscal year, which amounts in the case of this clause (ii) if not used in any fiscal year may be carried forward to the next succeeding fiscal year;
(e) any transfer or disposition of property or assets by a Restricted Subsidiary to UK Holdco or (ii) by UK Holdco or a Restricted Subsidiary to a Restricted Subsidiary;

(f) sales of assets received by UK Holdco or any Restricted Subsidiary upon the foreclosure on a Lien;

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

(h) the unwinding of any Hedging Obligations;

(i) the sale, lease, assignment, license or sublease of inventory, equipment, accounts receivable, notes receivable or other current assets held for sale in the ordinary course of business or the conversion of accounts receivable into a notes receivable;

(j) the lease, assignment or sublease of any real or personal property in the ordinary course of business and dispositions to landlords of improvements made to leased real property pursuant to customary terms of leases entered into in the ordinary course of business;

(k) a sale of accounts receivable and related assets of the type specified in the definition of “Receivables Financing” to a Receivables Subsidiary in a Qualified Receivables Financing or in factoring or similar transactions;

(l) 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 in a Qualified Receivables Financing;

(m) any financing transaction with respect to property built or acquired by UK Holdco or any Restricted Subsidiary, including Sale Leaseback Transactions permitted under this Agreement;

(n) any exchange of assets (including a combination of assets and Cash Equivalents) related to a Similar Business of comparable or greater market value or usefulness to the business of UK Holdco and the Restricted Subsidiaries, as a whole, as determined in good faith by the Borrower Representative, which in the event of an exchange of assets with a Fair Market Value in excess of (i) the greater of $20,000,000 and 7% of Consolidated EBITDA as of the most recently ended Reference Period shall be evidenced by an Officer’s Certificate signed on behalf of the Borrower Representative and (ii) the greater of $30,000,000 and 10% of Consolidated EBITDA as of the most recently ended Reference Period shall be set forth in a resolution approved in good faith by at least a majority of the Board of Directors of the Borrower Representative (or any direct or indirect parent thereof);

(o) the grant in the ordinary course of business of any license or sub-license of patents, trademarks, know-how and any other intellectual property;

(p) any sale or other disposition deemed to occur with creating, granting or perfecting a Lien not otherwise prohibited by this Agreement or the Loan Documents;
(q) the surrender or waiver of contract rights or settlement, release or surrender of a contract, tort or other litigation claim in the ordinary course of business;

(r) foreclosures, condemnations or any similar action on assets;

(s) the sale (without recourse) of receivables (and related assets) pursuant to factoring arrangements entered into in the ordinary course of business;

(t) sales, transfers and other dispositions of Investments in joint ventures to the extent required by, or made pursuant to, customary buy/sell arrangements between the joint venture parties set forth in joint venture arrangements and similar binding arrangements;

(u) transfers of property pursuant to a Recovery Event;

(v) the lapse, abandonment or other disposition of intellectual property rights in the ordinary course of business, which in the good faith determination of the Borrower Representative are no longer commercially reasonable to maintain or are not material to the conduct of the business of UK Holdco and the Restricted Subsidiaries taken as a whole; and

(w) sales, transfers and other dispositions of assets that do not constitute Collateral having a Fair Market Value of not more than, in any fiscal year, the greater of $25,000,000 and 8% of Consolidated EBITDA as of the most recently ended Reference Period, which amounts if not used in any fiscal year may be carried forward to subsequent fiscal years (until so applied);

provided that, in each case of paragraphs (a) to (w) above, that if any asset subject to a disposal or transfer to any Loan Party is subject to a Lien created by any Security Document at the time of such disposal or transfer to any Loan Party, it shall be disposed of or transferred on the basis that it shall remain subject to, or otherwise become subject to equivalent, Liens under a Security Document immediately following such disposal (subject to the Collateral and Guarantee Principles and the Agreed Security Principles).

“Assignee”: as defined in Section 11.6(b)(i).

“Assignment and Assumption”: an Assignment and Assumption, substantially in the form of Exhibit B.

“ASU”: as defined in Section 1.3(b).

“Auction Purchase”: a purchase of Loans or Commitments pursuant to a Dutch Auction (x) in the case of a Permitted Auction Purchaser, in accordance with the provisions of Section 11.6(b)(iii) or (y) in the case of an Affiliated Lender, in accordance with the provisions of Section 11.6(b)(iv).

“Auditors’ Determination”: as defined in Section 8.12(d).

“Australian Dollars”: the lawful currency of Australia.

“Available Revolving Commitment”: as to any Revolving Lender at any time, an amount equal to the excess, if any, of (a) such Lender’s Revolving Commitment then in effect over (b) the aggregate Outstanding Amount of such Lender’s Revolving Extensions of Credit at such time.

“Bail-In Action”: the exercise of any Write-Down and Conversion Powers by the applicable EEA Resolution Authority in respect of any liability of an EEA Financial Institution.
“Bail-In Legislation”: with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule.

“Bank Levy”: (a) the UK bank levy as set out in the United Kingdom Finance Act 2011, (b) the bank levy imposed by the French Government under the “taxe bancaire de risque systémique” as set out in Article 235 ter ZE of the French tax code (Code Général des Impôts), (c) the bank levy imposed by the German Government under the Bank Restructuring Fund Regulation (Restrukturierungsfonds-Verordnung) which has been issued pursuant to the provisions of the Bank Restructuring Fund Act (Restrukturierungsfondsgesetz), (d) the bank levy imposed by the French Government under the “taxe pour le financement du fonds de soutien aux collectivités territoriales” as set out in Article 235 ter ZE bis of the French tax code (Code Général des Impôts) and (e) any other Tax of a similar nature in any jurisdiction, which is imposed by reference to some or all of the assets, liabilities and/or equity of a financial institution or other entity carrying out financial transactions and which is in force or has been publicly announced at the Closing Date or (if applicable), in respect of any Lender, which becomes a party to this Agreement after the Closing Date, as at the date that Lender becomes a party to this Agreement.

“Bankruptcy Code”: Title 11 of the United States Code entitled “Bankruptcy”, as now and hereinafter in effect, or any successor statute.

“Basel III”: the Basel Committee on Banking Supervision’s (the “Committee”) revised rules relating to capital requirements set out in “Basel III: A global regulatory framework for more resilient banks and banking systems”, “Guidance for national authorities operating the countercyclical capital buffer” and “Basel III: International framework for liquidity risk measurement, standards and monitoring” published by the Committee in December 2010, “Revisions to the Basel II market risk framework” published by the Committee in February 2011, the rules for global systemically important banks contained in “Global systemically important banks: assessment methodology and the additional loss absorbency requirement – Rules text” published by the Committee in November 2011, as amended, supplemented or restated, and any further guidance or standards published by the Committee in connection with these rules.

“Beneficially Own”: as defined within the meaning of Rules 13d-3 and 13d-5 under the Exchange Act; “Beneficial Ownership” shall have a correlative meaning.

“Beneficial Ownership Certification”: a certification regarding beneficial ownership required by the Beneficial Ownership Regulation.

“Beneficial Ownership Regulation”: 31 C.F.R § 1010.230.

“Benefit Plan”: any of (a) an “employee benefit plan” (as defined in ERISA) that is subject to Title I of ERISA, (b) a “plan” as defined in and subject to Section 4975 of the Code or (c) any Person whose assets include (for the purposes of ERISA Section 3(42) or otherwise for purposes of Title I of ERISA or Section 4975 of the Code) the assets of any such “employee benefit plan” or “plan”.

“Benefited Lender”: as defined in Section 11.8(a).

“BHC Act Affiliate” of a party means an “affiliate” (as such term is defined under, and interpreted in accordance with, 12 U.S.C. 1841(k)) of such party.
“Board”: the Board of Governors of the Federal Reserve System of the United States (or any successor).

“Board of Directors”: as to any Person, the board of directors or managers, sole member, managing member or other governing body, as applicable, of such Person (or, if such Person is a partnership, the board of directors or other governing body of the general partner of such Person) or any duly authorized committee thereof.

“Borrower” or “Borrowers”: as defined in the preamble hereto.

“Borrower DTTP Filing” means an HM Revenue & Customs’ Form DTTP2, duly completed and filed by the relevant UK Borrower, which:

(a) where it relates to a UK Treaty Lender that is a Lender on the Closing Date, contains the scheme reference number and jurisdiction of tax residence stated opposite that Lender's name in Schedule 1.1A-1, and is filed with HM Revenue & Customs within 30 days of the date on which that UK Borrower becomes a Borrower; or

(b) where it relates to a UK Treaty Lender that is not a party to this Agreement on the Closing Date, contains the scheme reference number and jurisdiction of tax residence stated in respect of that Lender in the relevant Assignment and Assumption, Incremental Amendment or Refinancing Amendment pursuant to which such Lender becomes a party hereto or as otherwise notified to the UK Borrower in writing within 15 days of the relevant UK Treaty Lender becoming a party to this Agreement and:

(i) where the UK Borrower is a Borrower as at the relevant assignment date or the date on which the Incremental Revolving Loans described in the relevant Incremental Amendment take effect or the date on which the relevant Refinancing Amendment take effect (as applicable) is filed with HM Revenue & Customs within 30 days of that date; or

(ii) where the UK Borrower is not a Borrower as at the relevant assignment date or the date on which the Incremental Revolving Loans described in the relevant Incremental Amendment take effect or the date on which the relevant Refinancing Amendment take effect (as applicable) is filed with HM Revenue & Customs within 30 days of the date on which that UK Borrower becomes a Borrower.

“Borrower Joinder”: a joinder agreement, in substantially the form of Exhibit M hereto or otherwise reasonably acceptable to the Administrative Agent, pursuant to which an Additional Revolving Borrower agrees to become an obligor in respect of the Revolving Facility under this Agreement.

“Borrower Representative”: as defined in Section 12.4.

“Borrowing” a Revolving Borrowing, a Swingline Borrowing or a Term Borrowing, as the context may require.

“Borrowing Date”: any Business Day specified by any Borrower as a date on which such Borrower requests the relevant Lenders to make Loans hereunder.

“Borrowing Request”: a certificate duly executed by a Responsible Officer substantially in the form of Exhibit H.
“Business”: as defined in Section 4.13(b).

“Business Day”: any day other than a Saturday, Sunday or other day on which commercial banks are authorized to close under the Laws of, or are in fact closed in, the state where the Administrative Agent’s Office with respect to Obligations denominated in Dollars is located and:

(a) if such day relates to any interest rate settings as to a Eurocurrency Loan denominated in Dollars, any fundings, disbursements, settlements and payments in Dollars in respect of any such Eurocurrency Loan, or any other dealings in Dollars to be carried out pursuant to this Agreement in respect of any such Eurocurrency Loan, means a London Banking Day;

(b) if such day relates to any interest rate settings as to a Eurocurrency Loan denominated in Euro, any fundings, disbursements, settlements and payments in Euro in respect of any such Eurocurrency Loan, or any other dealings in Euro to be carried out pursuant to this Agreement in respect of any such Eurocurrency Loan, means a TARGET Day;

(c) if such day relates to any interest rate settings as to a Eurocurrency Loan denominated in a currency other than Dollars or Euro, means any such day on which dealings in deposits in the relevant currency are conducted by and between banks in the London or other applicable offshore interbank market for such currency; and

(d) if such day relates to any fundings, disbursements, settlements and payments in a currency other than Dollars or Euro in respect of a Eurocurrency Loan denominated in a currency other than Dollars or Euro, or any other dealings in any currency other than Dollars or Euro to be carried out pursuant to this Agreement in respect of any such Eurocurrency Loan (other than any interest rate settings), means any such day on which banks are open for foreign exchange business in the principal financial center of the country of such currency.

“Camelot Jersey”: as defined in the preamble hereto.

“Cancellation” or “Cancelled”: the cancellation, termination and forgiveness by a Permitted Auction Purchaser of all Loans, Commitments and related Obligations acquired in connection with an Auction Purchase or other acquisition of Term Loans, which cancellation shall be consummated as described in Section 11.6(b)(iii)(C) and the definition of “Eligible Assignee.”

“Capital Expenditures”: for any period, with respect to any Person, the aggregate of all expenditures by such Person or any Restricted Subsidiary thereof during such period for the acquisition or leasing (pursuant to a capital lease) of fixed or capital assets or additions to equipment (including replacements, capitalized repairs and improvements during such period) that, in conformity with GAAP, are required to be included as capital expenditures in the consolidated statement of cash flows of UK Holdco and the Restricted Subsidiaries.

“Capital Stock”: (1) in the case of a corporation or a company, corporate stock or share capital; (2) in the case of an association or business entity, any and all shares, interests, participations, rights or other equivalents (however designated) of corporate stock; (3) in the case of an exempted company, shares; (4) in the case of a partnership or limited liability company, partnership or membership interests (whether general or limited); and (5) any other interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distributions of assets of, the issuing Person.
“Capitalized Lease Obligations”: at the time any determination thereof is to be made, the amount of the liability in respect of a capital lease that would at such time be required to be capitalized and reflected as a liability on a balance sheet (excluding the footnotes thereto) in accordance with GAAP.

“Captive Insurance Subsidiary”: any direct or indirect Subsidiary of UK Holdco that bears financial risk or exposure relating to insurance or reinsurance activities and any segregated accounts associated with any such Person.

“Cash Collateral”: as defined in the definition of “Collateralize.”

“Cash Collateral Account” means a blocked, non-interest bearing deposit account of one or more of the Loan Parties at Bank of America, N.A. or another commercial bank in the name of the Administrative Agent and under the sole dominion and control of the Administrative Agent, and otherwise established in a manner satisfactory to the Administrative Agent.

“Cash Collateralize”: as defined in Section 3.2(b).

“Cash Contribution Amount”: the aggregate amount of cash contributions made to the capital of UK Holdco or any Restricted Subsidiary described in the definition of “Contribution Indebtedness.”

“Cash Equivalents”:

1. Dollars, Alternative Currencies and other local currencies held by UK Holdco and the Restricted Subsidiaries from time to time in the ordinary course of business in connection with any business conducted by such Person in such jurisdiction;
2. securities issued or directly and fully guaranteed or insured by the government of the United States, Canada, any country that is a member of the European Union, Switzerland or the United Kingdom or any agency or instrumentality thereof in each case with maturities not exceeding two years from the date of acquisition;
3. certificates of deposit, time deposits and eurodollar time deposits with maturities of one year or less from the date of acquisition, and bankers' acceptances, in each case with maturities not exceeding one year from the date of acquisition, and overnight bank deposits, in each case with any commercial bank having capital and surplus in excess of $250,000,000, in the case of U.S. banks, and $100,000,000 (or the foreign currency equivalent thereof), in the case of non-U.S. banks, and whose long-term debt is rated with an Investment Grade Rating by Moody’s or S&P (or reasonably equivalent ratings of another internationally recognized ratings agency);
4. repurchase obligations for underlying securities of the types described in clauses (2) and (3) above entered into with any financial institution meeting the qualifications specified in clause (3) above;
5. commercial paper issued by a corporation (other than an Affiliate of Holdings) rated at least “P-1/A-1” or the equivalent thereof by Moody’s or S&P (or reasonably equivalent ratings of another internationally recognized ratings agency) and in each case maturing within one year after the date of acquisition;
6. readily marketable direct obligations issued by any state or commonwealth of the United States of America, Canada, any country that is a member of the European Union, the United Kingdom or Switzerland or any political subdivision of the foregoing 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;
Indebtedness or Preferred Stock issued by Persons (other than the Sponsors or any of their respective 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;

investment funds investing at least 95% of their assets in securities of the types described in clauses (1) through (7) above; and

instruments equivalent to those referred to in clauses (1) through (7) above denominated in Alternative Currencies or any other currency comparable in credit quality and tenor to those referred to above and customarily used by corporations for cash management purposes in any jurisdiction outside the United States to the extent reasonably required in connection with (a) any business conducted by any Restricted Subsidiary organized in such jurisdiction or (b) any Investment in the jurisdiction where such Investment is made.

“Cash Management Agreement”: any agreement to provide Cash Management Services.

“Cash Management Obligations”: all obligations, including guarantees thereof, of any Group Member to a Cash Management Provider in respect of Cash Management Services.

“Cash Management Provider”: any Person that (a) as of the Closing Date or as of the date it enters into any Cash Management Agreement, is the Administrative Agent, a Joint Lead Arranger, an Incremental Facility Arranger, a Lender or an Affiliate of the foregoing, in its capacity as a counterparty to such Cash Management Agreement or (b) as of the date it enters into any Cash Management Agreement is designated in writing by the Borrower Representative with the consent of the Administrative Agent (not to be unreasonably withheld, conditioned or delayed) with respect to specified Cash Management Services and that has appointed the Collateral Agent as its collateral agent in a manner reasonably acceptable to the Collateral Agent; provided that none of the Administrative Agent, a Joint Lead Arranger, an Incremental Facility Arranger, a Lender or an Affiliate of the foregoing described in the preceding clause (a) shall cease to be Cash Management Provider by reason of ceasing to be the Administrative Agent, a Joint Lead Arranger, an Incremental Facility Arranger, a Lender or an Affiliate of the foregoing, as applicable.

“Cash Management Services”: any cash management facilities or services, including (i) treasury, netting, cash pooling, automated payment, depositary and overdraft services and automated clearinghouse transfer of funds and (ii) purchase cards, credit or debit cards, electronic funds transfer, automated clearinghouse arrangements or similar services.

“CFC”: any “controlled foreign corporation” within the meaning of Section 957 of the Code that is a direct or indirect Subsidiary of a US Subsidiary that is a “United States person” within the meaning of Section 957(c) of the Code.

“Change in Law”: the occurrence, after the Closing Date, of any of the following: (a) the adoption or taking effect of any law, rule, regulation or treaty, (b) any change in any law, rule, regulation or treaty or in the administration, interpretation, implementation or application thereof by any Governmental Authority or (c) the making or issuance of any request, rule, guideline or directive (whether or not having the force of law) by any Governmental Authority; provided that notwithstanding anything herein to the contrary, (x) the U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act and the European Capital Requirements Directive IV and in each case all requests, rules, guidelines or directives thereunder or issued in connection therewith and (y) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III and/or CRD IV, shall in each case be deemed to be a “Change in Law”, regardless of the date enacted, adopted or issued.
“Change of Control”: at any time, (a) the sale, lease or transfer, in one or a series of related transactions, of all or substantially all the assets of UK Holdco and its Restricted Subsidiaries, taken as a whole, to a Person other than any of the Permitted Holders, (b) the Borrower Representative 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 UK Holdco, or any direct or indirect parent of UK Holdco that holds directly or indirectly an amount of Voting Stock of UK Holdco such that UK Holdco is a Subsidiary of such holding company, (c) Holdings shall fail to Beneficially Own, directly or indirectly, Capital Stock of UK Holdco representing 100% of the total voting power represented by the issued and outstanding Capital Stock of UK Holdco, (d) UK Holdco shall fail to Beneficially Own, directly or indirectly, Capital Stock of the Lux Borrower representing 100% of the total voting power represented by the issued and outstanding Capital Stock of the Lux Borrower, (e) UK Holdco shall fail to Beneficially Own, directly or indirectly, Capital Stock of any US Borrower representing 100% of the total voting power represented by the issued and outstanding Capital Stock of such US Borrower; provided that any Disposition of a Borrower (including, for the avoidance of doubt, pursuant to Section 7.8) that is not prohibited under the terms of this Agreement shall not constitute a “Change of Control” or (f) a “change of control” or similar event shall occur under the Senior Secured Notes or other Indebtedness of any Group Member the outstanding principal amount of which exceeds $125,000,000 in the aggregate.

“Class”: (a) with respect to Commitments or Loans, those of such Commitments or Loans that have the same terms and conditions and (b) with respect to Lenders, those of such Lenders that have Commitments or Loans of a particular Class.

“Clean-Up Period”: with respect to any Permitted Acquisition or any other Permitted Clean-Up Investment, the period from the date of the consummation of such Permitted Acquisition or Permitted Clean-Up Investment until the date that is 90 days after such closing date.

“Closing Date”: October 31, 2019.

“Closing Date Refinancing”: as defined in Section 5.1(c).

“Closing Date Term Loan Facility”: as defined in the preamble hereto.

“Closing Date Term Loans”: has the meaning assigned to such term in the definition of “Initial Term Loan”.

“Code”: the Internal Revenue Code of 1986, as amended from time to time (except as indicated otherwise with respect to the definition of FATCA).
“Collateral”: all of the assets and property of the Loan Parties and any other Person, now owned or hereafter acquired, whether real, personal or mixed, upon which a Lien is purported to be created by any Security Document; provided, however, that the Collateral shall not include any Excluded Assets.

“Collateral Agent”: Bank of America, N.A., as the sole and exclusive collateral agent for the Secured Parties under this Agreement and the other Loan Documents, together with any of its successors in such capacity.

“Collateral and Guarantee Principles”: as defined in Section 6.9(c).

“Collateralize”: to (i) pledge and deposit with or deliver to the Administrative Agent, for the benefit of the Issuing Lenders and the Lenders, as collateral for the L/C Obligations, cash or deposit account balances (“Cash Collateral”) pursuant to documentation in form and substance reasonably satisfactory to the Administrative Agent or (ii) issue back to back letters of credit for the benefit of the Issuing Lenders in a form and substance reasonably satisfactory to the Administrative Agent, in each case, in an amount not less than 100% of the outstanding L/C Obligations.

“Commitment”: as to any Lender, the sum of the Term Commitment and the Revolving Commitment of such Lender.

“Commitment Fee”: as defined in Section 2.8(a).

“Commitment Fee Rate”: initially, 0.50% per annum, and from and after the first Business Day immediately following the delivery to the Administrative Agent of a Compliance Certificate (pursuant to Section 6.2(c)), commencing with the Compliance Certificate delivered in respect of the first full fiscal quarter of UK Holdco ending after the Closing Date, wherein the First Lien Net Leverage Ratio is (x) greater than 4.50 to 1.00, 0.50% per annum and (y) less than or equal to 4.50 to 1.00, 0.375% per annum.

“Commodity Exchange Act”: the Commodity Exchange Act (7 U.S.C. § 1 et seq.), as amended from time to time, and any successor statute.

“Commonly Controlled Entity”: an entity, whether or not incorporated, that is under common control with Holdings or any Borrower within the meaning of Section 4001 of ERISA or is part of a group that includes Holdings or any Borrower and that is treated as a single employer under Section 414 of the Code.

“Compliance Certificate”: a certificate duly executed by a Responsible Officer substantially in the form of Exhibit C or as otherwise reasonably agreed by the Administrative Agent.
“Consolidated Cash Interest Expense”: with respect to UK Holdco and its Restricted Subsidiaries for any period, (a) consolidated cash interest expense of UK Holdco and its Restricted Subsidiaries for such period, (i) including the cash interest component of Capitalized Lease Obligations (regardless of whether accounted for as interest expense under GAAP) and (ii) excluding (A) amortization, accretion or accrual of deferred financing fees, original issue discount, debt issuance costs, discounted liabilities, commissions, fees and expenses, (B) any expense arising from any bridge, commitment, structuring and/or other financing fee (including fees and expenses associated with the Transactions and agency and trustee fees), (C) any expense resulting from the discounting of any Indebtedness in connection with the application of recapitalization or purchase accounting in connection with the Transactions or any acquisition, (D) fees and expenses associated with any Asset Sales, acquisitions, Investments, issuances of Capital Stock or Indebtedness (in each case, whether or not consummated), (E) costs associated with obtaining, or breakage costs in respect of, any Hedge Agreement or any other derivative instrument other than any interest rate Hedge Agreement or interest rate derivative instrument with respect to Indebtedness, (F) any “additional interest” or “penalty interest” with respect to any securities, taxes or failure to timely comply with registration rights obligations, (G) interest expense with respect to Indebtedness of any Parent Holding Company of UK Holdco appearing on the balance sheet of UK Holdco solely by reason of push-down accounting under GAAP, (H) any payments with respect to make-whole, prepayment or repayment premiums or other breakage costs of any Indebtedness, (I) any interest expense attributable to the exercise of appraisal rights or other rights of dissenting shareholders and the settlement of any claims or actions (whether actual, contingent or potential) with respect thereto in connection with any acquisition or Investment permitted hereunder, (J) any lease, rental or other expense in connection with a lease obligation that is not a Capitalized Lease Obligation and (K) any non-cash interest expense attributable to any movement in the mark to market valuation of Hedging Obligations or any other derivative instruments and/or any payment obligation in respect of any Hedging Obligation or other derivative instrument other than any interest rate Hedging Obligation or interest rate derivative instrument with respect to Indebtedness minus (b) cash interest income for such period.

For purposes of this definition, interest expense shall be calculated after giving effect to net payments and receipts (if any) pursuant to interest rate Hedging Obligations with respect to Indebtedness.

“Consolidated Current Assets”: at any date, all amounts (other than cash and Cash Equivalents) that would, in conformity with GAAP, be set forth opposite the caption “total current assets” (or any like caption) on a consolidated balance sheet of UK Holdco and its Restricted Subsidiaries at such date.

“Consolidated Current Liabilities”: at any date, all amounts that would, in conformity with GAAP, be set forth opposite the caption “total current liabilities” (or any like caption) on a consolidated balance sheet of UK Holdco and its Restricted Subsidiaries at such date, but excluding (a) the current portion of any Funded Debt of UK Holdco and its Restricted Subsidiaries and (b) without duplication of clause (a) above, all Indebtedness consisting of Loans to the extent otherwise included therein.

“Consolidated EBITDA”: with respect to UK Holdco and its Restricted Subsidiaries for any period, the Consolidated Net Income of UK Holdco and its Restricted Subsidiaries for such period:

(1) increased (without duplication) by:

(a) provision for Taxes based on income or profits or capital, including, without limitation, state, franchise and similar Taxes and foreign withholding Taxes of such Person paid or accrued during such period deducted (and not added back) in computing Consolidated Net Income and payroll taxes related to stock compensation costs, including (i) an amount equal to the amount of Tax distributions actually made to the holders of Capital Stock of such Person or any direct or indirect parent of such Person in respect of such period in accordance with Section 7.3(b)(xi) which shall be included as though such amounts had been paid as income Taxes directly by such Person and (ii) penalties and interest related to such taxes or arising from any tax examinations; plus

(b) consolidated Fixed Charges of UK Holdco and its Restricted Subsidiaries for such period (including (x) bank fees and (y) costs of surety bonds in connection with financing activities, in each case, to the extent included in Fixed Charges), together with items excluded from the definition of “Consolidated Interest Expense” pursuant to clauses (1)(q) through (1)(z) thereof, in each case, to the extent the same was deducted (and not added back) in calculating such Consolidated Net Income; plus

(c) Consolidated Non-Cash Charges of UK Holdco and its Restricted Subsidiaries for such period to the extent such non-cash charges were deducted (and not added back) in computing Consolidated Net Income; plus
(d) [reserved]; plus
(e) [reserved]; plus

(f) any other non-cash charges, including any write offs or write downs, reducing Consolidated Net Income for such period (provided that if any such non-cash charges represent an accrual or reserve for potential cash items in any future period, the cash payment in respect thereof in such future period shall be subtracted from Consolidated EBITDA to such extent, and excluding amortization of a prepaid cash item that was paid in a prior period); plus

(g) the amount of any minority interest expense consisting of Subsidiary income attributable to minority equity interests of third parties in any non-Wholly Owned Subsidiary of UK Holdco deducted (and not added back) in such period in calculating Consolidated Net Income; plus

(h) the amount of management, monitoring, consulting, transaction and advisory fees (including termination fees) and related expenses and indemnities paid or accrued in such period to the Sponsors pursuant to the Management Agreement to the extent deducted (and not added back) in computing Consolidated Net Income; plus

(i) pro forma adjustments, including the “run rate” cost savings, operating expense reductions, operational improvements, restructuring charges and expenses and synergies (“Expected Cost Savings”) that are expected (in good faith) to be realized as a result of actions taken or with respect to which substantial steps are expected to be taken within 24 months after the date of any acquisition, disposition, divestiture, restructuring or other transaction or the implementation of a cost savings or other similar initiative (any such event or initiative, a “Cost Saving Initiative”), as applicable (calculated on a Pro Forma Basis as though such Expected Cost Savings had been realized on the first day of such period and as if such Expected Cost Savings were realized during the entirety of such period), net of the amount of actual benefits realized during such period from such actions; provided that (A) such actions or substantial steps with respect thereto are expected in the good faith determination of the Borrower Representative to be taken within 24 months after the consummation or implementation of the applicable Cost Saving Initiative, which is expected to result in Expected Cost Savings and (B) no Expected Cost Savings shall be added pursuant to this defined term to the extent duplicative of any expenses or charges otherwise added to Consolidated EBITDA, whether through a pro forma adjustment or otherwise, for such period (which adjustments may be incremental to, but without duplication for, pro forma adjustments made pursuant to the definition of “Pro Forma Basis”); plus

(j) [reserved]; plus

(k) the amount of loss or discount on sale of receivables and related assets to the Receivables Subsidiary or otherwise in connection with a Receivables Financing, to the extent deducted (and not added back) in computing Consolidated Net Income; plus

(l) (i) any costs or expenses incurred by UK Holdco or any of its Restricted Subsidiaries pursuant to any management equity plan or stock option plan or any other management or employee benefit plan, trust, scheme or agreement or any stock subscription or shareholder agreement, any pension plan (including any post-employment benefit scheme which has been agreed with the relevant pension trustee), including any deferred compensation arrangement, or any accelerated vesting of awards and (ii) payments made to optionholders in connection with, or as a result of, any distribution being made to equityholders, which payments are being made to compensate such optionholders as though they were equityholders at the time of, and entitled to share in, such distribution, in each case to the extent permitted hereunder; plus
(m) for purposes of determining compliance with the maximum First Lien Net Leverage Ratio required under Section 7.1, the Cure Amount, if any, received by UK Holdco for such period and permitted to be included in Consolidated EBITDA pursuant to Section 9.4; plus

(n) the Tax effect of any items excluded from the calculation of Consolidated Net Income pursuant to clauses (1), (3), (4) and (8) of the definition thereof; plus

(o) to the extent not already otherwise included herein, adjustments and add-backs made in calculating “Standalone Adjusted EBITDA” for the twelve months ended June 30, 2019 as set forth in the Offering Memorandum in respect of the Senior Secured Notes; plus

(p) earn-out, non-compete and contingent consideration obligations (including to the extent accounted for as bonuses, compensation or otherwise) and adjustments thereof and purchase price adjustments incurred in connection with any permitted acquisition or other Investment permitted hereunder and paid or accrued during such period; plus

(q) [reserved]; plus

(r) “run rate” pro forma adjustments, from the first day of the applicable period, for the aggregate amount of Consolidated EBITDA projected by the Borrower Representative in good faith to result from binding contracts entered into; provided that the aggregate amount of addbacks made pursuant to this clause (r) in any period shall not exceed an amount equal to 10% of Consolidated EBITDA for such period (after giving effect to such addbacks) as of any date of determination; plus

(s) any other adjustments, exclusions and add-backs that are consistent with Regulation S-X of the Securities Act of 1933, as amended;

(2) decreased by (without duplication) non-cash gains increasing Consolidated Net Income of UK Holdco and its Restricted Subsidiaries for such period, excluding any non-cash gains to the extent they represent the reversal of an accrual or reserve for a potential cash item that reduced Consolidated EBITDA in any prior period; and

(3) increased (by losses) or decreased (by gains) by (without duplication) the application of FASB Interpretation No. 45 (Guarantees) and/or Accounting Standards Codification Topic 810.

Notwithstanding the foregoing, Consolidated EBITDA (a) for the fiscal quarter ended September 30, 2018, shall be deemed to be $79,347,000, (b) for the fiscal quarter ended December 31, 2018, shall be deemed to be $82,351,000, (c) for the fiscal quarter ended March 31, 2019, shall be deemed to be $67,650,000 and (d) for the fiscal quarter ended June 30, 2019, shall be deemed to be $86,620,000, as may be subject to add-backs and adjustments (without duplication) pursuant to clauses (1)(i) and (r) above and the definition of “Pro Forma Basis” for the applicable period.

“Consolidated First Lien Indebtedness”: as of any date of determination, the aggregate principal amount of Consolidated Total Indebtedness that is secured by a Lien on any asset of UK Holdco or any of its Restricted Subsidiaries that constitutes Collateral ranking pari passu with the Liens securing the Obligations; provided that “Consolidated First Lien Indebtedness” shall be calculated, without duplication, after netting the Netted Amounts from the amount of Consolidated Total Indebtedness so secured.

“Consolidated Interest Expense”: with respect to any Person for any period, the sum, without duplication, of
(1) consolidated interest expense of such Person and its Restricted Subsidiaries for such period, to the extent such expense was deducted (and not added back) in computing Consolidated Net Income (including (a) amortization of original issue discount resulting from the issuance of Indebtedness at less than par, (b) all commissions, discounts and other fees and charges owed with respect to letters of credit or bankers acceptances, (c) non-cash interest payments (but excluding any non-cash interest expense attributable to the movement in the mark to market valuation of Hedging Obligations or other derivative instruments pursuant to GAAP and any payment obligation in respect of any Hedging Obligation or other derivative instrument other than any interest rate Hedging Obligation or interest rate derivative instrument with respect to Indebtedness), (d) the interest component of Capitalized Lease Obligations and (e) net payments and receipts (if any) pursuant to interest rate Hedging Obligations with respect to Indebtedness, and excluding (q) any interest expense attributable to the exercise of appraisal rights or other rights of dissenting shareholders and the settlement of any claims or actions (whether actual, contingent or potential) with respect thereto in connection with any acquisition or Investment permitted hereunder, (r) interest expense with respect to Indebtedness of any Parent Holding Company appearing on the balance sheet solely by reason of push-down accounting under GAAP, (s) fees and expenses associated with any Asset Sales, acquisitions, Investments, issuances of Capital Stock or Indebtedness (in each case, whether or not consummated), (t) any expense resulting from the discounting of any Indebtedness in connection with the application of recapitalization or purchase accounting in connection with the Transactions or any acquisition, (u) any “additional interest” or “penalty interest” with respect to any securities, taxes or failure to comply with registration rights obligations, (v) any accretion or accrued interest of discounted liabilities, (w) amortization of deferred financing fees, debt issuance costs, commissions, discounts, fees and expenses, (x) any expensing of bridge, commitment and other financing fees, cost of surety bonds, charges owed with respect to letters of credit, bankers’ acceptances or similar facilities, (y) commissions, discounts, yield and other fees and charges (including any interest expense) related to any Receivables Financing and (z) any payments with respect to make-whole, prepayment or repayment premiums or other breakage costs of any Indebtedness); plus

(2) consolidated capitalized interest of such Person and its Restricted Subsidiaries for such period, whether paid or accrued; less

(3) interest income for such period;

provided that, for purposes of calculating Consolidated Interest Expense, no effect shall be given to the discount and/or premium resulting from the bifurcation of derivatives under FASB ASC 815 and related interpretations as a result of the terms of the Indebtedness to which such Consolidated Interest Expense relates.

Notwithstanding the foregoing, any additional changes arising from (i) the application of Accounting Standards Codification Topic 480-10-25-4 “Distinguishing Liabilities from Equity—Overall—Recognition” to any series of Preferred Stock other than Disqualified Stock or (ii) the application of Accounting Standards Codification Topic 470-20 “Debt—Debt with Conversion Options—Recognition,” in each case, shall be disregarded in the calculation of Fixed Charges.

“Consolidated Net Income”: with respect to UK Holdco and its Restricted Subsidiaries for any period, the aggregate of the Net Income of UK Holdco and its Restricted Subsidiaries for such period, on a consolidated basis, and otherwise determined in accordance with GAAP; provided, however, that, without duplication:
(1) any after-Tax effect of (i) extraordinary, one-time, infrequent, non-recurring, non-operating or unusual gains, losses, income or expenses (including all fees and expenses relating thereto) (including costs and expenses relating to the Transactions), in each case as determined by the Borrower Representative in good faith and (ii) restructuring charges (including tax restructuring charges), charges attributable to operating expense reductions and/or synergies and/or similar initiatives and/or programs, accruals or reserves and business optimization expense, including any such costs incurred in connection with acquisitions after the Closing Date (including entry into new market/channels and new service or product offerings) and costs related to the closure, reconfiguration and/or consolidation of facilities and costs to relocate employees, facilities opening costs, integration, transition and transaction costs, retention charges, severance, relocation costs, contract termination costs, recruiting and signing, retention or completion bonuses and expenses, one time compensation charges, future lease commitments, systems establishment costs, conversion costs and excess pension charges, consulting fees, expenses attributable to the implementation of costs savings initiatives, cost rationalization programs and other new initiatives, costs associated with tax projects/audits, payments and curtailments or modifications to pension and post-retirement employee benefit plans, costs relating to rights fee arrangements and early terminations thereof, costs relating to strategic initiatives, costs attributable to new contracts or projects, costs of software, new systems, intellectual property, information technology or accounting developments or improvements, costs relating to project startups or new operations and corporate development costs and costs consisting of professional consulting or other fees relating to any of the foregoing, in each case shall be excluded,

(2) the cumulative effect of a change in accounting principles and changes as a result of the adoption or modification of accounting policies during such period, whether effected through a cumulative effect adjustment or a retroactive application in each case in accordance with GAAP, shall be excluded (except that, if the Borrower Representative determines in good faith that the cumulative effects thereof are not material to the interests of the Lenders, the effects of any change in any such principles or policies may be included in any subsequent period after the fiscal quarter in which such change, adoption or modification was made),

(3) any net after-Tax effect of income or loss from disposed, abandoned or discontinued assets, properties or operations and any net after-Tax gains or losses on disposal of disposed, abandoned, transferred, closed or discontinued assets, properties or operations shall be excluded, in each case excluding, at the option of the Borrower Representative, assets, properties and operations pending disposal, abandonment, transfer, closure or discontinuation, as applicable, in each case so long as such assets, properties or operations are classified as discontinued under GAAP,

(4) any net after-Tax effect of gains or losses (including all fees and expenses relating thereto) attributable to business dispositions or asset dispositions or the sale or other disposition of any Capital Stock of any Person, or of returned or surplus assets, other than in the ordinary course of business, as determined in good faith by the Borrower Representative, shall be excluded,

(5) the Net Income for such period of any Person that is not a Subsidiary, or is an Unrestricted Subsidiary, or that is accounted for by the equity method of accounting (other than a Borrower or a Guarantor), shall be excluded; provided that the Consolidated Net Income of UK Holdco shall be increased by the amount of dividends or distributions or other payments that are actually paid in cash or Cash Equivalents (or to the extent converted into cash or Cash Equivalents) to the referent Person or a Restricted Subsidiary thereof in respect of such period,

(6) solely for the purpose of the definition of Excess Cash Flow and determining the amount available for Restricted Payments under Section 7.3(a)(3)(A), the Net Income for such period of any Restricted Subsidiary (other than any Loan Party) shall be excluded to the extent that the declaration or payment of dividends or similar distributions by such Restricted Subsidiary of its Net Income 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 restriction with respect to the payment of dividends or similar distributions has been legally waived, provided that Consolidated Net Income of UK Holdco will be increased by the amount of dividends or other distributions or other payments actually paid in cash or Cash Equivalents (or to the extent converted into cash or Cash Equivalents) to UK Holdco or any of its Restricted Subsidiaries in respect of such period, to the extent not already included therein,
(7) Effects of adjustments (including the effects of such adjustments pushed down to UK Holdco and its Restricted Subsidiaries) in any line item in such Person’s consolidated financial statements (including, but not limited to, any step-ups with respect to re-valuing assets and liabilities) pursuant to GAAP and related authoritative pronouncements resulting from the application in accordance with GAAP of purchase accounting in relation to any investment, acquisition, merger or consolidation (or reorganization or restructuring) that is consummated after the Closing Date or the depreciation, amortization or write-off of any amounts thereof, net of taxes, shall be excluded.

(8) Any net after-Tax income (loss) from the early extinguishment of (i) Indebtedness, (ii) Hedging Obligations or (iii) other derivative instruments shall be excluded.

(9) Any impairment charge or expense, asset write-off or write-down, including impairment charges or asset write-offs or write-downs related to intangible assets, long-lived assets or investments in debt and equity securities or as a result of a change in law or regulations, in each case, pursuant to GAAP and the amortization of intangibles arising pursuant to GAAP shall be excluded.

(10) Any non-cash compensation charge or expense, including any such charge arising from grants of stock appreciation or similar rights, phantom equity, stock options, restricted stock or other rights, and any cash charges associated with the rollover, acceleration or payout of Equity Interests by management of UK Holdco or any of its direct or indirect parent companies, including any expense resulting from the application of Statement of Financial Accounting Standards No. 123R shall be excluded, provided that any subsequent settlement in cash shall reduce Consolidated Net Income for the period in which such payment occurs.

(11) Any fees and expenses or other charges (including any make-whole premium or penalties) incurred during such period, or any amortization thereof for such period, in connection with the Transactions, any acquisition, Investment, recapitalization, disposition, Asset Sale, issuance or repayment of Indebtedness, equity offering, refinancing transaction or amendment or modification of any debt instrument (in each case, (i) including any such transactions consummated prior to the Closing Date, (ii) whether or not such transaction is undertaken but not completed, (iii) if unsuccessful, whether or not such transaction is permitted by this Agreement (if such transaction would have been permitted if successful) and (iv) including any such transaction incurred by any direct or indirect parent company of UK Holdco) and any charges or non-recurring merger costs incurred during such period as a result of any such transaction shall be excluded.

(12) Accruals and reserves that are established and not reversed within 12 months after the Closing Date that are so required to be established as a result of the Transactions (or within 12 months after the closing of any acquisition that are so required to be established as a result of such acquisition) in accordance with GAAP shall be excluded.

(13) [reserved].

(15) non-cash interest expense resulting from the application of Accounting Standards Codification Topic 470-20 “Debt—Debt with Conversion Options—Recognition” shall be excluded,

(16) any non-cash interest expense and non-cash interest income, in each case to the extent there is no associated cash disbursement or receipt, as the case may be, before the maturity date of the Initial Term Loans, shall be excluded;

(17) the net after-Tax effect of carve-out related items (including, without limitation, elimination of duplicative costs (including with respect to transaction services agreements) and costs and expenses related to information and technology systems establishment or modification), in each case in connection with acquisitions and investments permitted hereunder, shall be excluded;

(18) the following items shall be excluded:

(a) any net unrealized gain or loss (after any offset) resulting in such period from (i) Hedging Obligations, (ii) the application of Accounting Standards Codification Topic 815 “Derivatives and Hedging” and/or (iii) any ineffectiveness recognized in earnings related to qualifying hedge transactions or the fair value of changes therein recognized in earnings for derivatives that do not qualify as hedge transactions, in respect of Hedging Obligations;

(b) any net foreign exchange gains or losses (whether or not realized) resulting from the impact of foreign currency changes on the valuation of assets and liabilities on the consolidated balance sheet of UK Holdco and its Restricted Subsidiaries (in each case, including currency re-measurements of Indebtedness, any net loss or gain resulting from hedge arrangements for currency exchange or any other currency related risk and any translation of assets and liabilities denominated in a foreign currency); and

(19) any fee, loss, charge, expense, cost, accrual or reserve associated with and/or payment of any actual or prospective legal settlement, fine, judgment or order shall be excluded.

Solely for purposes of calculating Consolidated EBITDA, the Net Income of UK Holdco and its Restricted Subsidiaries shall be calculated without deducting the income attributable to the minority equity interests of third parties in any non-WhollyOwned Restricted Subsidiary except to the extent (without duplication) 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.

In addition, to the extent not already accounted for in the Consolidated Net Income of UK Holdco and its Restricted Subsidiaries, notwithstanding anything to the contrary in the foregoing, Consolidated Net Income shall include (i) the amount of proceeds received during such period from business interruption insurance in respect of insured claims for such period, (ii) the amount of proceeds as to which the Borrower Representative has determined there is reasonable evidence it will be reimbursed by the insurer in respect of such period from business interruption insurance (with a deduction for any amount so added back to the extent denied by the applicable carrier in writing within 180 days or not so reimbursed within 365 days) and (iii) reimbursements of any expenses and charges that are covered by indemnification, insurance or other reimbursement provisions in connection with any acquisition, permitted Investment, Recovery Event or any sale, conveyance, transfer or other disposition of assets permitted hereunder.
Notwithstanding the foregoing, (x) for the purpose of Section 7.3 only (other than clauses (a)(3)(E) and (a)(3)(F) therein), there shall be excluded from Consolidated Net Income any income arising from any sale or other disposition of Restricted Investments made by UK Holdco and its Restricted Subsidiaries, any repurchases and redemptions of Restricted Investments from UK Holdco and its Restricted Subsidiaries, any repayments of loans and advances which constitute Restricted Investments by UK Holdco or any of its Restricted Subsidiaries, any sale of the stock of an Unrestricted Subsidiary or any distribution or dividend from an Unrestricted Subsidiary, in each case only to the extent such amounts increase the amount of Restricted Payments permitted under such covenant pursuant to clauses (a)(3)(E) and (a)(3)(F) therein and (y) for the purpose of the definition of Excess Cash Flow only, there shall be excluded the income (or deficit) of any Person accrued prior to the date it becomes a Restricted Subsidiary or is merged into or consolidated with UK Holdco or any Restricted Subsidiary thereof.

“Consolidated Non-Cash Charges”: with respect to UK Holdco and its Restricted Subsidiaries for any period, the aggregate depreciation, amortization (including amortization of intangibles, deferred financing fees, debt issuance costs, commissions, fees and expenses, expensing of any bridge, commitment or other financing fees, the non-cash portion of interest expense resulting from the reduction in the carrying value under purchase accounting of UK Holdco’s or any Restricted Subsidiary’s outstanding Indebtedness and commissions, discounts, yield and other fees and charges but excluding amortization of prepaid cash expenses that were paid in a prior period), non-cash impairment, non-cash compensation, non-cash rent and other non-cash expenses of UK Holdco and its Restricted Subsidiaries reducing Consolidated Net Income of UK Holdco and its Restricted Subsidiaries for such period on a consolidated basis and otherwise determined in accordance with GAAP; provided that if any non-cash charges referred to in this definition represent an accrual or reserve for potential cash items in any future period, the cash payment in respect thereof in such future period shall be subtracted from Consolidated EBITDA in such future period to such extent paid.

“Consolidated Secured Indebtedness”: as of any date of determination, the aggregate principal amount of Consolidated Total Indebtedness that is secured by a Lien on any asset of UK Holdco or any of its Restricted Subsidiaries that constitutes Collateral; provided that “Consolidated Secured Indebtedness” shall be calculated, without duplication, after netting the Netted Amounts from the amount of Consolidated Total Indebtedness so secured.

“Consolidated Total Indebtedness”: as of any date of determination, the aggregate principal amount of Indebtedness described in clauses (a)(i), (a)(ii) (excluding, for the avoidance of doubt, surety bonds, performance bonds and similar instruments) and (a)(iv) of the definition of “Indebtedness” of UK Holdco and the Restricted Subsidiaries outstanding on such date, determined on a consolidated basis, to the extent required to be recorded on a balance sheet in accordance with GAAP, including, without duplication, the outstanding principal amount of the Term Loans; provided, that the amount of revolving Indebtedness under this Agreement and any other revolving credit facility shall be computed based upon the period-ending value of such Indebtedness during the applicable period; provided, further, that Consolidated Total Indebtedness shall not include (x) Indebtedness in respect of any Qualified Receivables Financing permitted pursuant to Section 7.2, any Hedging Obligations or any obligations that are non-recourse to UK Holdco and its Restricted Subsidiaries or (y) obligations in respect of letters of credit (including Letters of Credit) or bankers’ acceptances, except to the extent of unreimbursed amounts thereunder; provided, further, that “Consolidated Total Indebtedness”, “Consolidated First Lien Indebtedness” and “Consolidated Secured Indebtedness” shall in each case (but without duplication) be calculated for all purposes hereunder (i) net of the Unrestricted Cash Amount and (ii) to exclude any obligation, liability or indebtedness if, upon or prior to the maturity thereof, the applicable Person has irrevocably deposited with the proper Person in trust or escrow the necessary funds (or evidences of indebtedness) for the payment, redemption or satisfaction of such obligation, liability or indebtedness, and thereafter such funds and evidences of such obligation, liability or indebtedness or other security so deposited are not included in the calculation of the Unrestricted Cash Amount (clauses (i) and (ii), the “Netted Amounts”).
“Consolidated Working Capital”: at any date, the excess of Consolidated Current Assets on such date over Consolidated Current Liabilities on such date.

“Consolidated Working Capital Adjustment”: for any period on a consolidated basis, the amount (which may be a negative number) by which Consolidated Working Capital as of the beginning of such period exceeds (or is less than (in which case the Consolidated Working Capital Adjustment will be a negative number)) Consolidated Working Capital as of the end of such period.

“Contingent Obligations”: 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, any obligation of such Person, whether or not contingent:

1. to purchase any such primary obligation or any property constituting direct or indirect security therefor,

2. to advance or supply funds:
   a. for the purchase or payment of any such primary obligation; or
   b. to maintain working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor; or

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

“Contractual Obligation”: as to any Person, any provision of any security issued by such Person or of any agreement, instrument or other undertaking to which such Person is a party or by which it or any of its property is bound.

“Contribution Indebtedness”: Indebtedness, Preferred Stock or Disqualified Stock of UK Holdco or any Restricted Subsidiary in an aggregate principal amount not greater than 100% of the aggregate amount of contributions (including the proceeds of any sale of Capital Stock other than Disqualified Stock) in the form of cash, and the Fair Market Value of contributions of Cash Equivalents, marketable securities or other property (in each case other than Excluded Contributions, any contributions received in connection with the exercise of the Cure Right or any such cash contributions that have been used to make a Restricted Payment), made to the equity capital of UK Holdco or any Restricted Subsidiary (other than from UK Holdco or a Restricted Subsidiary) after the Closing Date.

“Control”: the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. “Controlling” and “Controlled” have meanings correlative thereto.

“Cost Saving Initiative”: as defined in clause (1)(i) of the definition of “Consolidated EBITDA.”
“Covered Entity” means any of the following: (i) a “covered entity” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 252.82(b); (ii) a “covered bank” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 47.3(b); or (iii) a “covered FSI” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 382.2(b).

“CRD IV”: (i) Regulation (EU) No 575/2013 of the European Parliament of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms; and (ii) Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC; or any law, rules or guidance by which either of them is implemented.


“Cure Amount”: as defined in Section 9.4(a).

“Cure Period”: as defined in Section 9.4(a).

“Cure Right”: as defined in Section 9.4(a).

“Customary Bridge Financings”: customary bridge facilities that automatically convert into or are exchanged for permanent financing that do not provide (i) an earlier final maturity date than the Latest Maturity Date of the Initial Term Loans or (ii) a shorter Weighted Average Life to Maturity than the remaining Weighted Average Life to Maturity of the Initial Term Loans, in each case determined at the time such facility is incurred.

“Debt Fund Affiliate”: an Affiliate of any Sponsor (other than Holdings and any of its Subsidiaries) that is a bona fide debt fund or an investment vehicle that is engaged in the making, purchasing, holding or otherwise investing in commercial loans, bonds and similar extensions of credit in the ordinary course of business with respect to which any Sponsor and its Affiliates (other than Debt Fund Affiliates) do not directly or indirectly possess the power to direct or cause the direction of the investment policies of such entity.

“Debtor Relief Laws”: the Bankruptcy Code of the United States, the United Kingdom Insolvency Act 1986 and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor relief Laws of the United States or other applicable jurisdictions from time to time in effect and affecting the rights of creditors generally.

“Declined Proceeds”: as defined in Section 2.11(f).

“Default”: any of the events specified in Section 9.1, whether or not any requirement for the giving of notice, the lapse of time, or both, has been satisfied.

“Default Right” has the meaning assigned to that term in, and shall be interpreted in accordance with, 12 C.F.R. §§ 252.81, 47.2 or 382.1, as applicable.

“Delaware Divided LLC” means a Delaware LLC which has been formed upon the consummation of a Delaware LLC Division.
“Delaware LLC” means any limited liability company organized or formed under the laws of the State of Delaware.

“Delaware LLC Division” means the statutory division of any Delaware LLC limited liability company into two or more Delaware LLCs limited liability companies pursuant to Section 18-217 of the Delaware Limited Liability Company Act or a comparable provision of any other requirement of Law.

“Defaulting Lender”: any Lender that (a) has refused (whether verbally or in writing) to fund (and has not retracted such refusal), or has failed to fund, any portion of the Term Loans, Revolving Loans, participations in L/C Obligations or participations in Swingline Loans required to be funded by it hereunder (collectively, its “Funding Obligations”) within two (2) Business Days of the date required to be funded by such Lender hereunder unless such Lender notifies the Administrative Agent and the Borrower Representative in writing that such failure is the result of such Lender’s determination that one or more conditions precedent to funding (each of which conditions precedent, together with any applicable default, shall be specifically identified in such writing), (b) has notified the Administrative Agent or the Borrower Representative in writing that it does not intend to (or will not be able to) satisfy such Funding Obligations or has made a public statement to that effect with respect to its Funding Obligations or generally under other agreements in which it commits to extend credit (unless such writing or public statement relates to such Lender’s obligation to fund a Loan hereunder and states that such position is based on such Lender’s determination that a condition precedent to funding (which condition precedent, together with any applicable default, shall be specifically identified in such writing or public statement) cannot be satisfied), (c) has otherwise failed to pay over to the Administrative Agent or any other Lender any other amount required to be paid by it hereunder within two (2) Business Days of the date when due, (d) has failed, within three (3) Business Days after written request by the Administrative Agent, to confirm in a manner reasonably satisfactory to the Administrative Agent that it will comply with its Funding Obligations; provided that such Lender shall cease to be a Defaulting Lender pursuant to this clause (d) upon the Administrative Agent’s receipt of such confirmation, or (e) has, or has a direct or indirect parent company that has, (i) admitted in writing that it is insolvent or that it is not able to pay its debts as they become due, (ii) become the subject of a proceeding under any Debtor Relief Law, (iii) had a receiver, conservator, trustee, administrator, assignee for the benefit of creditors or similar Person charged with reorganization or liquidation of its business or a substantial part of its assets or a custodian appointed for it, (iv) is or becomes subject to a forced liquidation, (v) makes a general assignment for the benefit of creditors or is otherwise adjudicated as, or determined by any Governmental Authority having regulatory authority over such person or its assets to be insolvent or bankrupt, (vi) taken any action in furtherance of, or indicated its consent to, approval of or acquiescence in any such proceeding or appointment or action or (vii) become the subject of a Bail-In Action or any other similar proceeding or process; provided that a Lender shall not be a Defaulting Lender under this clause (e) solely by virtue of the ownership or acquisition of any equity interest in that Lender or the existence of an Undisclosed Administration in respect of that Lender (or, in such any case, any direct or indirect parent company thereof) by a Governmental Authority so long as such ownership interest or Undisclosed Administration does not result in or provide such Lender with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment on its assets or permit such Lender (or such Governmental Authority) to reject, repudiate, disavow or disaffirm any contracts or agreements made with such Lender.

“Defaulting Lender Fronting Exposure”: at any time there is a Defaulting Lender, (a) with respect to any Issuing Lender, such Defaulting Lender’s Pro Rata Share of the Outstanding Amount of L/C Obligations of such Issuing Lender other than L/C Obligations as to which such Defaulting Lender’s participation obligation has been reallocated to other Lenders or Cash Collateralized in accordance with the terms hereof, and (b) with respect to any Swingline Lender, such Defaulting Lender’s Pro Rata Share of Swingline Loans other than Swingline Loans as to which such Defaulting Lender’s participation obligation has been reallocated to other Lenders or Cash Collateralized in accordance with the terms hereof.
“Designated Non-cash Consideration”: the Fair Market Value of non-cash consideration received by UK Holdco or any of its Restricted Subsidiaries in connection with an Asset Sale that is determined by the Borrower Representative to be Designated Non-cash Consideration, less the amount of Cash Equivalents received in connection with a subsequent sale or collection on such Designated Non-cash Consideration.

“Designated Preferred Stock”: Preferred Stock of UK Holdco or any direct or indirect parent of UK Holdco, as applicable (other than Disqualified Stock), that is issued for cash (other than to UK Holdco or any of the Restricted Subsidiaries or an employee stock ownership plan or trust established by UK Holdco or any of its Subsidiaries) and is so designated as Designated Preferred Stock, pursuant to an Officer’s Certificate signed on behalf of the Borrower Representative, on the issuance date thereof, the cash proceeds of which are excluded from the calculation set forth in Section 7.3(a)(3).

“Disposition”: with respect to any property (including Capital Stock of UK Holdco or any Restricted Subsidiary), any sale, lease, Sale Leaseback Transaction, assignment, conveyance, transfer or other disposition thereof (including by merger or consolidation or amalgamation and excluding the granting of a Lien permitted hereunder) and any issuance of Capital Stock of any Restricted Subsidiary. The terms “Dispose” and “Disposed of” shall have correlative meanings.

“Disqualified Lender”: (i) each bank, financial institution, other institutional lenders and investors and other entities identified on a list made available to the Administrative Agent and the Joint Lead Arrangers on or prior to the date of the engagement letter entered into with the Joint Lead Arrangers and (ii) each competitor of UK Holdco or any of its Subsidiaries that is in the same or a similar line of business as UK Holdco and its Subsidiaries identified by name and designated in writing from time to time to the Administrative Agent and (iii) as to any entity referenced in clause (ii) above (the “Primary Disqualified Lender”), any of such Primary Disqualified Lender’s Affiliates clearly identifiable as such solely on the basis of its name, but excluding any Affiliate that is primarily engaged in, or that advises bona fide debt funds, or other investment vehicles that are engaged in, making, purchasing, holding or otherwise investing in commercial loans, bonds and similar extensions of credit or securities in the ordinary course and with respect to which the Primary Disqualified Lender does not, directly or indirectly, possess the power to direct or cause the direction of such entity; provided that any Person that is a Lender and subsequently becomes a Disqualified Lender (but was not a Disqualified Lender on the Closing Date or at the time it became a Lender) shall be deemed to not be a Disqualified Lender hereunder. The list of Disqualified Lenders shall be held by the Administrative Agent and made available to Lenders (including in connection with the sale of a participation interest pursuant to Section 11.6(c)) upon request.

“Disqualified Stock”: with respect to any Person, any Capital Stock of such Person that, by its terms (or by the terms of any security into which it is convertible or for which it is redeemable or exchangeable, in each case at the option of the holder thereof), or upon the happening of any event:

1. matures or is mandatorily redeemable (other than as a result of a change of control, asset sale or casualty event), pursuant to a sinking fund obligation or otherwise,

2. is convertible or exchangeable for Indebtedness or Disqualified Stock, or

3. is redeemable at the option of the holder thereof,
in whole or in part, in each case prior to 91 days after the maturity date of the Initial Term Facility (other than as a result of a change of control, asset sale or casualty event to the extent permitted under clause (1) above); provided, however, that only the portion of Capital Stock that 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 plan for the benefit of employees of UK Holdco 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 UK Holdco or any Restricted Subsidiary in order to satisfy applicable statutory or regulatory obligations; provided, further, however, that any Capital Stock held by any future, current or former employee, director, manager or consultant (or their respective trusts, estates, investment funds, investment vehicles or immediate family members), of UK Holdco, any of its Subsidiaries, any of its direct or indirect parent companies or any other entity in which UK Holdco or a Restricted Subsidiary has an Investment and is designated in good faith as an “affiliate” by the Board of Directors of the Borrower Representative (or the compensation committee thereof), in each case pursuant to any stockholders’ agreement, management equity plan, stock option plan or any other management or employee benefit plan or agreement shall not constitute Disqualified Stock solely because it may be required to be repurchased by UK Holdco or any Restricted Subsidiary; provided, further, however, that any class of Capital Stock of such Person that by its terms authorizes such Person to satisfy its obligations thereunder by delivery of Capital Stock that is not Disqualified Stock shall not be deemed to be Disqualified Stock.

“Dollar Amount”: at any time:

(a) with respect to any Loan denominated in Dollars, the principal amount thereof then outstanding (or in which such participation is held); and

(b) with respect to any Loan denominated in an Alternative Currency, the principal amount thereof then outstanding in the relevant Alternative Currency, converted to Dollars in accordance with Section 1.5.

“Dollars” and “$”: dollars in lawful currency of the United States.

“DPTA”: as defined in Section 8.12(d).

“Dutch Auction”: one or more purchases (each, a “Purchase”) by a Permitted Auction Purchaser or an Affiliated Lender (either, a “Purchaser”) of Term Loans; provided that, each such Purchase is made on the following basis:

(a) (i) the Purchaser will notify the Administrative Agent in writing (a “Purchase Notice”) (and the Administrative Agent will deliver such Purchase Notice to each relevant Lender) that such Purchaser wishes to make an offer to purchase from each Term Lender and/or each Lender with respect to any Class of Term Loans on an individual tranche basis Term Loans, in an aggregate principal amount as is specified by such Purchaser (the “Term Loan Purchase Amount”) with respect to each applicable tranche, subject to a range or minimum discount to par expressed as a price at which range or price such Purchaser would consummate the Purchase (the “Offer Price”) of such Term Loans to be purchased (it being understood that different Offer Prices and/or Term Loan Purchase Amounts, as applicable, may be offered with respect to different tranches of Term Loans and, in such an event, each such offer will be treated as a separate offer pursuant to the terms of this definition); provided that the Purchase Notice shall specify that each Return Bid (as defined below) must be submitted by a date and time to be specified in the Purchase Notice, which date shall be no earlier than the second Business Day following the date of the Purchase Notice and no later than the fifth Business Day following the date of the Purchase Notice and (ii) the Term Loan Purchase Amount specified in each Purchase Notice delivered by such Purchaser to the Administrative Agent shall not be less than $10,000,000 in the aggregate;
(b) such Purchaser will allow each Lender holding the Class of Term Loans subject to the Purchase Notice to submit a notice of participation (each, a “Return Bid”) which shall specify (i) one or more discounts to par of such Lender’s tranche or tranches of Term Loans subject to the Purchase Notice expressed as a price (each, an “Acceptable Price”) (but in no event will any such Acceptable Price be greater than the highest Offer Price for the Purchase subject to such Purchase Notice) and (ii) the principal amount of such Lender’s tranches of Term Loans at which such Lender is willing to permit a purchase of all or a portion of its Term Loans to occur at each such Acceptable Price (the “Reply Amount”);

(c) based on the Acceptable Prices and Reply Amounts of the Term Loans as are specified by the Lenders, such Purchaser will determine the applicable discount (the “Applicable Discount”), which will be either, as applicable, (i) the lowest Acceptable Price at which such Purchaser can complete the Purchase for the entire Term Loan Purchase Amount or (ii) in the event that the aggregate Reply Amounts relating to such Purchase Notice are insufficient to allow such Purchaser to complete a purchase of the entire Term Loan Purchase Amount, the highest Acceptable Price that is less than or equal to the Offer Price;

(d) such Purchaser shall purchase Term Loans from each Lender with one or more Acceptable Prices that are equal to or less than the Applicable Discount at the Applicable Discount (such Term Loans being referred to as “Qualifying Loans” and such Lenders being referred to as “Qualifying Lenders”), subject to clauses (e), (f), (g) and (h) below;

(e) such Purchaser shall purchase the Qualifying Loans offered by the Qualifying Lenders at the Applicable Discount; provided that if the aggregate principal amount required to purchase the Qualifying Loans would exceed the Term Loan Purchase Amount, such Purchaser shall purchase Qualifying Loans ratably based on the aggregate principal amounts of all such Qualifying Loans tendered by each such Qualifying Lender;

(f) the Purchase shall be consummated pursuant to and in accordance with Section 11.6(b) and, to the extent not otherwise provided herein, shall otherwise be consummated pursuant to procedures (including as to timing, rounding and minimum amounts, Interest Periods, and other notices by such Purchaser) reasonably acceptable to the Administrative Agent (provided that, subject to the proviso of clause (g) of this definition, such Purchase shall be required to be consummated no later than five Business Days after the time that Return Bids are required to be submitted by Lenders pursuant to the applicable Purchase Notice);

(g) upon submission by a Lender of a Return Bid, subject to the foregoing clause (f), such Lender will be irrevocably obligated to sell the entirety or its pro rata portion (as applicable pursuant to clause (e) above) of the Reply Amount at the Applicable Discount plus accrued and unpaid interest through the date of purchase to such Purchaser pursuant to Section 11.6(b) and as otherwise provided herein; provided that as long as no Return Bids have been submitted each Purchaser may rescind its Purchase Notice by notice to the Administrative Agent; and

(h) purchases by a Permitted Auction Purchaser of Qualifying Loans shall result in the immediate Cancellation of such Qualifying Loans.

“EBITDA”: for any period for any Person, the aggregate (without double counting) earnings before interest, tax, depreciation and amortization attributable to such Person for such period (calculated on the same basis as Consolidated EBITDA mutatis mutandis but on an unconsolidated basis and excluding intercompany items (other than intercompany profit margins), as applicable).
“ECF Percentage”: 50%; provided that the ECF Percentage shall be reduced to (i) 25% if the First Lien Net Leverage Ratio as of the last day of the most recently ended Reference Period is less than or equal to 4.50 to 1.00 and greater than 4.00 to 1.00 and (ii) 0% if the First Lien Net Leverage Ratio as of the last day of the most recently ended Reference Period is less than or equal to 4.00 to 1.00; provided that the ECF Percentage shall be determined on the date of required prepayment in respect of Excess Cash Flow and giving pro forma effect to such prepayment and to any other repayment or prepayment at or prior to the time such prepayment in respect of Excess Cash Flow is due.

“EEA Financial Institution”: (a) any credit institution or investment firm established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority, (b) any entity established in an EEA Member Country which is a parent of an institution described in clause (a) of this definition, or (c) any financial institution established in an EEA Member Country which is a Subsidiary of an institution described in clauses (a) or (b) of this definition and is subject to consolidated supervision with its parent.

“EEA Member Country”: any of the member states of the European Union, Iceland, Liechtenstein, and Norway.

“EEA Resolution Authority”: any public administrative authority or any Person entrusted with public administrative authority of any EEA Member Country (including any delegee) having the responsibility for the resolution of any EEA Financial Institution.

“Effective Yield”: as to any Indebtedness, the effective yield applicable thereto calculated by the Administrative Agent in consultation with the Borrower Representative in a manner consistent with generally accepted financial practices, taking into account (a) interest rate margins, (b) interest rate floors (subject to the proviso set forth below), (c) any amendment to the relevant interest rate margins and interest rate floors prior to the applicable date of determination and (d) original issue discount and upfront or similar fees (based on an assumed four-year average life to maturity or lesser remaining average life to maturity), but excluding (i) any advisory, arrangement, commitment, consent, structuring, success, underwriting, ticking, unused line fees, amendment fees and/or any similar fees payable in connection therewith (regardless of whether any such fees are paid to or shared in whole or in part with any lender) and (ii) any other fee that is not paid directly by the Borrower Representative generally to all relevant lenders ratably (or, if only one lender (or affiliated group of lenders) is providing such Indebtedness, are fees of the type not customarily shared with lenders generally); provided, that with respect to any Indebtedness that includes a “LIBOR floor” or “Base Rate floor”, that (A) to the extent that the “LIBOR rate” (for an Interest Period of three months) or “Base Rate” (in each case without giving effect to any floor specified in the definitions thereof on the date on which the Effective Yield is being calculated) is less than such floor, the amount of such difference will be deemed added to the interest rate margin applicable to such Indebtedness for purposes of calculating the Effective Yield and (B) to the extent that the “LIBOR rate” (for an Interest Period of three months) or “Base Rate” (in each case, without giving effect to any floor specified in the definitions thereof) is greater than such floor, the floor will be disregarded in calculating the Effective Yield.

“Eligible Assignee”: (a) any Lender, any Affiliate of a Lender and any Approved Fund (any two or more Approved Funds with respect to a particular Lender being treated as a single Eligible Assignee for all purposes hereof), and (b) any commercial bank, insurance company, financial institution, investment or mutual fund or other entity that is an “accredited investor” (as defined in Regulation D under the Securities Act) and which extends credit or buys commercial loans in the ordinary course; provided that “Eligible Assignee” (x) shall include (i) Debt Fund Affiliates and Affiliated Lenders, subject to the provisions of Section 11.6(b)(iv) and (ii) Permitted Auction Purchasers, subject to the provisions of Section 11.6(b)(iii), and solely to the extent that such Permitted Auction Purchasers purchase or acquire Term Loans pursuant to a Dutch Auction or open market purchase permitted hereunder and effect a Cancellation immediately upon such contribution, purchase or acquisition pursuant to documentation reasonably satisfactory to the Administrative Agent and (y) shall not include any Disqualified Lender, any natural person (or a holding company, investment vehicle or trust for, or owned and operated by or for the primary benefit of, one or more natural persons) or any Term Borrower, Holdings or any of their Affiliates (other than as set forth in this definition).
“EMU Legislation”: the legislative measures of the European Council for the introduction of, changeover to or operation of a single or unified European currency.

“Environmental Laws”: any and all foreign, Federal, state, local or municipal laws, rules, orders, regulations, statutes, ordinances, codes, decrees, legally binding requirements of any Governmental Authority or other Requirements of Law (including common law) regulating, relating to or imposing liability or standards of conduct concerning the release, transportation, generation, use, handling, treatment, storage or disposal of Materials of Environmental Concern, human health and safety with respect to exposure to Materials of Environmental Concern, and protection or restoration of the environment.

“Equity Interests”: 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).

“ERISA”: the Employee Retirement Income Security Act of 1974, as amended from time to time.

“EU Bail-In Legislation Schedule”: the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor person), as in effect from time to time.

“EU Lender”: in respect of a Spanish Borrower, a Lender which (a) is resident for Tax purposes in a member state of the European Union (other than Spain) acting directly or through a permanent establishment located in another a member state of the European Union (other than Spain), provided that it does not act in respect of the Loan through a permanent establishment located in Spain or in a jurisdiction other than a member state of the European Union; and (b) does not obtain the relevant income through a state or territory treated as a tax haven pursuant to Spanish laws and regulations (currently set out in Royal Decree 1080/1991, of 5 July -Real Decreto 1080/1991, de 5 de julio-, as amended or restated).

“Eurocurrency Rate”: for any Interest Period,

(a) in the case of any Eurocurrency Loan denominated in a LIBOR Quoted Currency, the rate per annum equal to the London Interbank Offered Rate (“LIBOR”) or a comparable or successor rate which rate is approved by the Administrative Agent in consultation with the Borrower Representative as published on the applicable Bloomberg screen page (or such other commercially available source providing such quotations as may be designated by the Administrative Agent from time to time) at approximately 11:00 a.m., London time, two Business Days prior to the commencement of such Interest Period, for deposits in the relevant currency (for delivery on the first day of such Interest Period) with a term equivalent to such Interest Period;
in the case of any Eurocurrency Loan denominated in Australian dollars, the rate per annum equal to the Bank Bill Swap Reference Bid Rate ("BBSY") or a comparable or successor rate, which rate is approved by the Administrative Agent in consultation with the Borrower Representative, as published on the applicable Bloomberg screen page (or such other commercially available source providing such quotations as may be designated by the Administrative Agent from time to time) at or about 10:30 a.m. (Melbourne, Australia time) on the Rate Determination Date with a term equivalent to such Interest Period;

(c) in the case of any Eurocurrency Loan denominated in any Non-LIBOR Quoted Currency (other than Australian Dollars), the rate per annum as designated with respect to such Alternative Currency at the time such Alternative Currency is approved by the Administrative Agent and the Revolving Lenders or Issuing Lenders, as applicable, pursuant to Section 2.30(a); and

(d) for any rate calculation with respect to an ABR Loan on any date, the rate per annum equal to LIBOR, at or about 11:00 a.m., London time, determined two Business Days prior to such date for U.S. Dollar deposits with a term of one month commencing that day;

provided that if the Eurocurrency Rate shall be less than zero, such rate shall be deemed zero for purposes of this Agreement.

Eurocurrency Loans': Loans that bear interest at a rate based on clauses (a) – (b) of the definition of Eurocurrency Rate.

"Eurocurrency Tranche": the collective reference to Eurocurrency Loans under a particular Facility the then current Interest Periods with respect to all of which begin on the same date and end on the same later date (whether or not such Loans shall originally have been made on the same day).

"Euros", "EUR" and "€": the single currency of the Participating Member States; provided, that if any member state or states ceases to have such single currency as its lawful currency (such member state(s) being the "Exiting State(s)"), EUR, Euro and € shall, for the avoidance of doubt, mean for all purposes the single currency adopted and retained as the lawful currency of the remaining member states and shall not include any successor currency introduced by the Exiting State(s).

"Event of Default": any of the events specified in Section 9.1; provided that any requirement for the giving of notice, the lapse of time, or both, has been satisfied.

"Excess Cash Flow": for any Excess Cash Flow Period, the excess, if positive, of

(a) the sum, without duplication, of

(i) Consolidated Net Income for such Excess Cash Flow Period,

(ii) the amount of Consolidated Non-Cash Charges deducted in arriving at such Consolidated Net Income, but excluding any such Consolidated Non-Cash Charges representing an accrual or reserve for a potential cash item in any future period,

(iii) the Consolidated Working Capital Adjustment for such Excess Cash Flow Period,

(iv) the aggregate net amount of non-cash loss on the Disposition of property by UK Holdco and the Restricted Subsidiaries during such Excess Cash Flow Period (other than sales in the ordinary course of business), to the extent deducted in arriving at such Consolidated Net Income,
the amount of Tax expense in excess of the amount of Taxes paid in cash during such Excess Cash Flow Period to the extent such Tax expense was deducted in determining Consolidated Net Income for such period, and

(vi) cash receipts in respect of Swap Agreements during such Excess Cash Flow Period to the extent not otherwise included in Consolidated Net Income, over

(b) the sum, without duplication, of

(i) the amount of all non-cash credits included in arriving at such Consolidated Net Income (but excluding any non-cash credit to the extent representing a reversal of an accrual or reserve described in clause (a)(ii)),

(ii) [reserved],

(iii) [reserved],

(iv) to the extent not deducted in determining Consolidated Net Income, Permitted Tax Distributions and Taxes of any Group Member that were paid in cash with respect to such Excess Cash Flow Period,

(v) all mandatory prepayments of the Term Loans pursuant to Section 2.11 made during such Excess Cash Flow Period as a result of any Asset Sale or Recovery Event, but only to the extent that such Asset Sale or Recovery Event resulted in a corresponding increase in Consolidated Net Income,

(vi) [reserved],

(vii) to the extent not funded with the proceeds of Indebtedness (other than Indebtedness under the Revolving Facility or any other revolving credit facility), the aggregate amount of all regularly scheduled principal amortization payments of Funded Debt made on their due date during such Excess Cash Flow Period (including payments in respect of Capitalized Lease Obligations to the extent not deducted in the calculation of Consolidated Net Income),

(viii) to the extent not funded with the proceeds of Indebtedness (other than Indebtedness under the Revolving Facility or any other revolving credit facility), the aggregate amount of all optional prepayments, repurchases and redemptions of Indebtedness (other than (x) the Loans and other such amounts deducted from the amount of Excess Cash Flow required to be prepaid pursuant to Section 2.11(b) and (y) in respect of any revolving credit facility to the extent there is not an equivalent permanent reduction in commitments thereunder) made during the Excess Cash Flow Period,

(ix) the aggregate net amount of non-cash gains on the Disposition of property by UK Holdco and the Restricted Subsidiaries during such Excess Cash Flow Period (other than sales of inventory in the ordinary course of business), to the extent included in arriving at such Consolidated Net Income,

(x) [reserved],

(xi) any cash payments that are made during such Excess Cash Flow Period and have the effect of reducing an accrued liability that was not accrued during such period,
(xii) the amount of Taxes paid in cash during such Excess Cash Flow Period to the extent they exceed the amount of Tax expense deducted in determining Consolidated Net Income for such period,

(xiii) [reserved],

(xiv) the aggregate amount of any premium, make-whole or penalty payments actually paid in cash by UK Holdco and any Restricted Subsidiary during such period that are required to be made in connection with any prepayment or satisfaction and discharge of Indebtedness,

(xv) cash expenditures in respect of Swap Agreements during such fiscal year to the extent not deducted in arriving at such Consolidated Net Income,

(xvi) the amount of cash payments made in respect of pensions and other post-employment benefits in such period to the extent not deducted in arriving at such Consolidated Net Income,

(xvii) the amount of cash and Cash Equivalents subject to cash collateral or other deposit arrangements made with respect to Letters of Credit or Swap Agreements; provided, that if such cash and Cash Equivalents cease to be subject to those arrangements, such amount shall be added back to Excess Cash Flow for the subsequent Excess Cash Flow Period when such arrangements cease,

(xviii) a reserve established by UK Holdco or any Restricted Subsidiary in good faith in respect of deferred revenue that any Group Member generated during such Excess Cash Flow Period; provided, that to the extent all or any portion of such deferred revenue is not returned to customers during the immediately succeeding Excess Cash Flow Period or otherwise included in the Consolidated Net Income in the immediately subsequent year, such deferred revenue shall be added back to Excess Cash Flow for such subsequent Excess Cash Flow Period,

(xix) cash payments by UK Holdco and its Restricted Subsidiaries in respect of long-term liabilities to the extent not deducted in arriving at such Consolidated Net Income; provided that no such payments are with respect to long-term liabilities with an Affiliate of UK Holdco (or are guaranteed by an Affiliate of UK Holdco), and

(xx) amounts added to Consolidated Net Income pursuant to clauses (1), (3), (4) and (11) of the definition of “Consolidated Net Income” and, without duplication, any other loss, expense, accrual, reserve or charge excluded in the calculation of “Consolidated Net Income” paid or payable in cash.

In no event shall Excess Cash Flow be calculated on a Pro Forma Basis.

“Excess Cash Flow Application Date”: as defined in Section 2.11(b).

“Excess Cash Flow Period”: each fiscal year of UK Holdco beginning with the fiscal year ending December 31, 2020.

“Exchange Rate”: on any day with respect to any Alternative Currency, the Administrative Agent’s spot rate of exchange for the purchase of such Alternative Currency with Euros in the London foreign exchange market at approximately 11:00 a.m. (London time) on such day.

“Excluded Assets”: with respect to any Loan Party (as it relates to clauses (ii), (iii) and (ix), to the extent the UCC or United States Law is applicable to the relevant asset): (i) fee owned real property and all leasehold property (and, for the avoidance of doubt, in no event shall landlord lien waivers, estoppels and collateral access letters be required to be delivered with respect to any such leasehold property), (ii) any vehicles and other assets subject to certificates of title (other than to the extent perfection of the security interest in such assets is accomplished solely by the filing of a UCC financing statement), (iii) chattel paper, letter of credit rights and tort claims (other than to the extent perfection of the security interest therein is accomplished solely by the filing of a UCC financing statement), (iv) any assets the granting of a security interest in which (1) is prohibited or restricted by Law (including restrictions in respect of margin stock and financial assistance, fraudulent conveyance, preference, thin capitalization or other similar laws or regulations), (2) requires government or third-party consents that have not been obtained or would violate the terms of any contract or trigger termination pursuant to a “change of control” provision; provided that such contracts were not entered into in contemplation of the release of Collateral or the creation of an Excluded Asset (after giving effect to the applicable anti-assignment provisions of the UCC or other applicable Law, the granting or assignment of which is expressly deemed effective under the UCC or other applicable Law notwithstanding any applicable prohibition); provided, that there shall be no requirement to use efforts to procure the relevant consents or (3) could reasonably be expected to result in material adverse accounting, regulatory or Tax consequences as determined by the Borrower Representative in good faith in consultation with the Administrative Agent, (v) (A) any margin stock and (B) Equity Interests in an Excluded Subsidiary (other than a CFC or a FSHCO), (vi) any assets where the cost, burden or difficulty of obtaining a security interest in, or perfection of a security interest in, such assets exceeds the practical benefit to the Secured Parties afforded thereby (as reasonably determined by the Borrower Representative), (vii) any governmental or regulatory licenses or state or local franchises, charters, permits and authorizations, to the extent a security interest in any such license, franchise, charter, consent, permit or authorization is prohibited or restricted thereby, (viii) any general intangible, lease, license, agreement or similar arrangement or any property subject thereto (including pursuant to a purchase money security interest or similar arrangement) to the extent that a grant of a security interest therein would violate or invalidate such general intangible, lease, license or agreement or purchase money arrangements or create a right of termination in favor of any other party thereto (other than the Loan Parties) after giving effect to the applicable anti-assignment provisions of the UCC or other applicable law, the assignment of which is expressly deemed effective under the UCC or other applicable law notwithstanding such prohibition, (ix) any cash and Cash Equivalents (other than proceeds of Collateral as to which perfection of the security interest in such proceeds is accomplished solely by the filing of a UCC financing statement), deposit and securities accounts (including securities entitlements and related assets) and any other assets requiring perfection through control agreements or perfection by “control” (other than in respect of certificated equity interests in the Borrowers, the Guarantors and material wholly-owned Restricted Subsidiaries thereof required to be pledged pursuant to the Security Documents), (x) any intent-to-use trademark application prior to the filing and acceptance by the United States Patent and Trademark Office of a “Statement of Use” or “Amendment to Allege Use” with respect thereto, to the extent, if any, that, and solely during the period, if any, in which, the grant of a security interest therein would impair the validity or enforceability of such intent-to-use trademark application, or any registration issuing therefrom, under applicable federal law, (xi) any assets of any Excluded Subsidiary, (xii) any property subject to a capital lease, purchase money security interest or, in the case of property of a Loan Party acquired after the Closing Date, pre-existing secured indebtedness not incurred in anticipation of the acquisition by the applicable Loan Party, to the extent that the granting of a security interest in such property would be prohibited under the terms of such capital lease, purchase money financing or secured indebtedness, (xiii) [reserved], (xiv) any Equity Interests of a CFC or of a FSHCO, other than 65% of the total outstanding voting Equity Interests and 100% of the total outstanding non-voting Equity Interests of such CFC or FSHCO that, in each case, are directly owned by a Loan Party, (xv) receivables and related assets (A) sold to any Receivables Subsidiary or (B) otherwise sold, pledged, factored, contributed or disposed of in connection with any Qualified Receivables Financing or other factoring arrangement not prohibited hereunder, (xvi) any assets which are subject to a security interest in respect of Acquired Indebtedness and such security interest constitutes a Permitted Lien, (xvii) any Rule 3-16 Capital Stock and (xviii) any asset excluded by the Collateral and Guarantee Principles or the Agreed Security Principles.
“Excluded Contributions”: the net cash proceeds and Cash Equivalents or Fair Market Value of assets or property received by or contributed to UK Holdco or its Restricted Subsidiaries after the Closing Date (other than (i) such amounts provided by or contributed to UK Holdco or its Restricted Subsidiaries from or by any Restricted Subsidiary and (ii) Permitted Cure Securities) from:

(a) contributions to its common or preferred equity capital, and

(b) the sale (other than to UK Holdco or a Restricted Subsidiary or management equity plan or stock option plan or any other management or employee benefit plan or agreement) of Capital Stock (other than Refunding Capital Stock, Disqualified Stock and Designated Preferred Stock) of UK Holdco or any direct or indirect parent,

in each case designated as Excluded Contributions pursuant to an Officer’s Certificate signed on behalf of the Borrower Representative on or about the date such capital contributions are made or the date such Capital Stock is sold, as the case may be, the proceeds of which are excluded from the calculation set forth in Section 7.3(a)(3).

“Excluded ECP Guarantor”: in respect of any Swap Obligation, any Loan Party that is not a Qualified ECP Guarantor at the time such Swap Obligation is incurred.

“Excluded Subsidiary”: any Subsidiary of UK Holdco that is, at any time of determination, (i) not a Wholly Owned Subsidiary, provided that such Subsidiary shall cease to be an Excluded Subsidiary at the time such Subsidiary becomes a Wholly Owned Subsidiary, (ii) a special purpose securitization vehicle (or similar special purpose entity), including any Receivables Subsidiary created pursuant to a transaction permitted under this Agreement, (iii) a joint venture, (iv) a not-for-profit Subsidiary, (v) a Captive Insurance Subsidiary, Immaterial Subsidiary or broker-dealer Subsidiary, (vi) organized under the laws of any jurisdiction other than a Security Jurisdiction, (vii) a CFC, (viii) a FSHCO, (ix) a Subsidiary of a CFC or of a FSHCO, (x) an Unrestricted Subsidiary, (xi) any Subsidiary for which the providing of a guarantee could reasonably be expected (A) to result in any violation or breach of, or conflict with, fiduciary duties of such subsidiary’s officers, directors or managers or (B) to result in material adverse regulatory or Tax consequences, as determined by the Borrower Representative in good faith in consultation with the Administrative Agent, (xii) any Subsidiary that is prohibited or restricted by (A) applicable requirements of Law or (B) any contractual obligation, in each case from guaranteeing the Obligations or which would require governmental (including regulatory) or third-party consent, approval, license or authorization in order to provide such guarantee (including under any financial assistance, corporate benefit, thin capitalization, capital maintenance, liquidity maintenance or similar legal principles), unless such consent, approval, license or authorization has been obtained, it being understood that neither Holdings nor any of its Subsidiaries shall have any obligation to obtain any such consent, approval, license or authorization, (xiii) any Subsidiary in respect of which the Borrower Representative determines in consultation with the Administrative Agent that the cost, burden, difficulty or consequence of providing a guarantee is excessive in relation to the benefit to the Lenders of the security to be afforded thereby or the value of such guarantee or (xiv) any Subsidiary to the extent excluded by the application of the Collateral and Guarantee Principles or the Agreed Security Principles. Notwithstanding the foregoing, the Borrower Representative may from time to time, upon notice to the Administrative Agent, elect to cause any Subsidiary that would otherwise be an Excluded Subsidiary to become a Subsidiary Guarantor (but shall have no obligation to do so), subject to the satisfaction of guarantee and collateral requirements consistent with the Security Documents delivered on the Closing Date (giving effect, as applicable, to the Collateral and Guarantee Principles or the Agreed Security Principles) or otherwise reasonably acceptable to the Borrower Representative and the Administrative Agent (which shall include, in the case of a Foreign Subsidiary, guarantee and collateral requirements customary under local law, including customary local limitations). The Borrower Representative may subsequently elect to release any such Subsidiary as a Subsidiary Guarantor at any time in its sole discretion (it being understood that such release shall be subject to (A) UK Holdco or its applicable Restricted Subsidiary having capacity to make hereunder, and being deemed to make hereunder, an Investment in such Subsidiary after such release and (B) such Subsidiary having capacity to incur hereunder, and being deemed to incur hereunder, any Indebtedness or Liens after such release).
“Excluded Swap Obligation”: any obligation (a “Swap Obligation”) of any Excluded ECP Guarantor to pay or perform under any agreement, contract or transaction that constitutes a “swap” within the meaning of section 1a(47) of the Commodity Exchange Act, if, and to the extent that, all or a portion of the Guarantee of such Guarantor of, or the grant by such Guarantor of a security interest to secure, such Swap Obligation (or any Guarantee thereof) is or becomes illegal under the Commodity Exchange Act or any rule, regulation or order of the Commodity Futures Trading Commission (or the application or official interpretation of any thereof) by virtue of such Guarantor’s failure for any reason not to constitute an “eligible contract participant” as defined in the Commodity Exchange Act.

“Existing Letter of Credit”: as defined in Section 3.1(c).

“Existing Senior Notes”: as defined in the preamble hereto.

“Existing Senior Notes Indenture”: as defined in the preamble hereto.

“Existing Swap Agreement”: each Swap Agreement listed on Schedule 1.1F.

“Expected Cost Savings”: as defined in clause (1)(i) of the definition of “Consolidated EBITDA.”

“Export Control Laws”: such export-control Laws as are administered or enforced by the U.S. Government, the European Union, or other export control authority with jurisdiction over any Loan Party, or any subsidiary or joint venture thereof, including, without limitation, the Export Administration Regulations, the International Traffic in Arms Regulations, and the European Union Dual Use Regulation (Council Regulation EC 428/2009 (as amended)).

“Extended Revolving Commitments”: one or more Classes of extended Revolving Commitments that result from a Permitted Amendment.

“Extended Revolving Loans”: the Revolving Loans made pursuant to any Extended Revolving Commitment or otherwise extended pursuant to a Permitted Amendment.

“Extended Term Commitments”: one or more Classes of extended Term Commitments hereunder that result from a Permitted Amendment.

“Extended Term Loans”: one or more classes of extended Term Loans that result from a Permitted Amendment.
“Facility”: (a) any Term Facility (including the Closing Date Term Loan Facility and the New Term Loan Facility) and (b) any Revolving Facility, as the context may require.

“Fair Market Value”: with respect to any Investment, asset, property or transaction, the price which 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 in good faith by the Borrower Representative).

“FATCA”: as defined in Section 2.19(a).

“Federal Funds Rate”: for any day, the rate per annum equal to the weighted average of the rates on overnight Federal funds transactions, as published by the Federal Reserve Bank of New York on the Business Day next succeeding such day; provided that (a) if such day is not a Business Day, the Federal Funds Rate for such day shall be such rate on such transactions on the next preceding Business Day as so published on the next succeeding Business Day, and (b) if no such rate is so published on such next succeeding Business Day, the Federal Funds Rate for such day shall be the average rate charged to Bank of America, N.A. on such day on such transactions as determined by the Administrative Agent.

“Fee Letter”: the Fee Letter dated October 20, 2019 by and among Clarivate Analytics plc, the Joint Lead Arrangers and the other parties thereto, as amended, restated, modified or supplemented from time to time in accordance with the terms thereof.

“Fee Payment Date”: (a) the last Business Day of each March, June, September and December (commencing on December 31, 2019), (b) the Revolving Termination Date and (c) the date the Total Revolving Commitments are reduced to zero.

“Financial Compliance Date”: any date on which the aggregate Outstanding Amount of all Revolving Loans, Swingline Loans and undrawn L/C Obligations (excluding (i) non-Collateralized, issued and undrawn L/C Obligations in an amount up to $20,000,000 and (ii) Collateralized Letters of Credit) of the Revolving Borrowers exceeds 35% of the Revolving Commitments as of such date.

“Financial Covenant Event of Default”: as defined in Section 9.3(b).

“First Lien Net Leverage Ratio”: as of any date of determination for the most recently ended Reference Period or the Reference Period otherwise specified herein, the ratio of (a) Consolidated First Lien Indebtedness on such day, to (b) Consolidated EBITDA, in each case of UK Holdco and its Restricted Subsidiaries, calculated on a Pro Forma Basis for such period.

“First Priority Refinancing Revolving Facility”: as defined in the definition of “Permitted First Priority Refinancing Debt.”

“First Priority Refinancing Term Facility”: as defined in the definition of “Permitted First Priority Refinancing Debt.”

“Fixed Amount”: as defined in Section 1.9(b).

“Fixed Charges”: with respect to UK Holdco and the Restricted Subsidiaries for any period, the sum of:

(1) Consolidated Interest Expense of UK Holdco and its Restricted Subsidiaries for such period; and
(2) all cash dividend payments (excluding items eliminated in consolidation) on any series of Preferred Stock or Disqualified Stock of UK Holdco and the Restricted Subsidiaries;

provided, however, that, notwithstanding the foregoing, any charges arising from (i) the application of Accounting Standards Codification Topic 480-10-25-4 “Distinguishing Liabilities from Equity—Overall—Recognition” to any series of Preferred Stock other than Disqualified Stock or (ii) the application of Accounting Standards Codification Topic 470-20 “Debt—Debt with Conversion Options—Recognition,” in each case, shall be disregarded in the calculation of Fixed Charges.

“Foreign Plan”: any pension plan, benefit plan, fund or other similar program established, maintained or contributed to by a Loan Party or any Subsidiary of a Loan Party primarily for the benefit of individuals residing outside the United States (other than plans, funds or similar programs that are maintained exclusively by a Governmental Authority), and which is required to be funded through a trust or other funding vehicle and is not subject to ERISA or the Code.

“Foreign Benefit Plan Event”: with respect to any Foreign Plan, (a) the existence of unfunded liabilities in excess of the amount permitted under any applicable law, or in excess of the amount that would be permitted absent a waiver from a Governmental Authority, (b) the failure to make the required contributions or payments, under any applicable law or the terms of the Foreign Plan, on or before the due date for such contributions or payments, (c) the receipt of a notice by a Governmental Authority relating to the intention to terminate any such Foreign Plan or to appoint a trustee or similar official to administer any such Foreign Plan, (d) the incurrence of any liability by a Loan Party or any of Subsidiary of a Loan Party on account of the complete or partial termination of such Foreign Plan or the complete or partial withdrawal of any participating employer therein, (e) the occurrence of any transaction that could result in a Loan Party or any Subsidiary of a Loan Party incurring, or the imposition on a Loan Party or any Subsidiary of a Loan Party of, any fine, excise tax or penalty resulting from any noncompliance with applicable law or (f) any other event or condition with respect to a Foreign Plan that could result in liability of a Loan Party or any Subsidiary of a Loan Party.


“Foreign Loan Party”: any Loan Party that is not a US Loan Party.

“Foreign Subsidiary”: any Subsidiary of Holdings that is not a US Subsidiary.

“Forms”: as defined in Section 2.19(j).

“FRB”: the Board of Governors of the Federal Reserve System of the United States.

“FSHCO”: any Subsidiary of Holdings, substantially all the assets of which consist of Equity Interests of one or more CFCs or other FSHCOs.

“Funded Debt”: as to any Person, all Indebtedness described in clauses (1)(a), (1)(b) (excluding, for the avoidance of doubt, surety bonds, performance bonds and similar instruments) and (1)(d) of the definition of “Indebtedness” of such Person that matures more than one year from the date of its creation or matures within one year from such date but is renewable or extendible, at the option of such Person, to a date more than one year from such date or arises under a revolving credit or similar agreement that obligates the lender or lenders to extend credit during a period of more than one year from such date, including all current maturities and current sinking fund payments in respect of such Indebtedness whether or not required to be paid within one year from the date of its creation and, in the case of the Borrowers, Indebtedness in respect of the Loans.
“Funding Default”: as defined in Section 2.17(d).

“Future Guarantor”: as defined in Section 8.12(g).

“GAAP”: generally accepted accounting principles in the United States of America that are in effect from time to time; provided, that GAAP shall be construed, and all computations of amounts and ratios referred to in this Agreement shall be made, in accordance with the interpretive provisions set forth in Section 1 of this Agreement; provided, further, that (A) if any change in GAAP or in the application thereof or any change as a result of the adoption or modification of accounting policies (including the conversion to IFRS as described below or any change in the methodology of calculating reserves for returns, rebates and other chargebacks) is implemented or takes effect after the date of delivery of any financial statements required to be delivered under this Agreement and/or there is any change in the functional currency reflected in such financial statements or (B) if UK Holdco or its applicable direct or indirect parent company elects or is required to report under IFRS, UK Holdco or the Required Lenders may request by written notice to the Administrative Agent to amend the relevant affected provisions of this Agreement to eliminate the effect of such change in accounting principles or change as a result of the adoption or modification of accounting policies occurring after the Closing Date in GAAP or IFRS, as applicable, or in the application thereof on the operation of such provision, regardless of whether any such notice is given before or after such change in GAAP or IFRS, as applicable, or in the application thereof, and in such case, (x) the Borrower Representative and the Administrative Agent shall negotiate in good faith to enter into an amendment of the relevant affected provisions (it being understood that no amendment or similar fee shall be payable to the Administrative Agent or any Lender in connection therewith) to preserve the original intent thereof in light of the applicable change or election, as the case may be and (y) such provision shall be interpreted on the basis of GAAP or IFRS, as applicable, as in effect and applied immediately before such change shall have become effective until such notice shall have been withdrawn or such provision amended in accordance with this definition. Any consent required from the Administrative Agent with respect to the foregoing shall not be unreasonably withheld, conditioned or delayed. At any time after the Closing Date, the Borrower Representative or its applicable direct or indirect parent company may elect to apply IFRS accounting principles in lieu of GAAP, or vice versa, and upon such election, references herein to GAAP shall thereafter be construed to mean IFRS, or vice versa, as applicable (except as otherwise provided in this Agreement); provided, that any calculation or determination in this Agreement that requires the application of GAAP for periods that include fiscal quarters ended prior to the application of IFRS will remain as previously calculated or determined in accordance with GAAP and vice versa. For the avoidance of doubt, solely making an election (without any other action) referred to in this definition will not (1) be treated as an Incurrence of Indebtedness or (2) have the effect of rendering impermissible any payment, Investment or other action made prior to the date of such election pursuant to Section 7.3 or any Incurrence of Indebtedness prior to the date of such election pursuant to Section 7.2 if such payment, Investment, Incurrence or other action was permitted under this Agreement on the date made, incurred or taken, as the case may be.

“German Borrower”: an Additional Revolving Borrower resident for tax purposes in Germany.

“German Collateral”: as defined in Section 10.1(c).

“German GmbH & Co. KG Guarantor”: as defined in Section 8.12(d).

“German GmbH Guarantor”: as defined in Section 8.12(d).

“German Guarantor”: as defined in Section 8.12(d).
“German Qualifying Lender”: a Lender which is beneficially entitled to interest payable to that Lender in respect of any amounts hereunder and is:

(a) resident for tax purposes in Germany;

(b) lending through a Facility Office in Germany to which the relevant interest payment is effectively attributable for tax purposes; or

(c) a German Treaty Lender.

“German Treaty”: as defined in the definition of “German Treaty State”.

“German Treaty Lender”: a Lender which (a) is treated as a resident of a German Treaty State for the purposes of the German Treaty and (b) does not carry on a business in Germany through a permanent establishment with which that Lender’s participation in the Loan is effectively connected.

“German Treaty State”: a jurisdiction having a double taxation agreement with Germany (a “German Treaty”) which makes provision for full exemption from tax imposed by Germany on interest.

“Global Intercompany Note”: a note in such form as may be reasonably agreed between the Borrower Representative and the Administrative Agent.

“Governmental Approval”: any consent, authorization, approval, order, license, franchise, permit, certificate, accreditation, registration, filing or notice, of, issued by, from or to, or other act by or in respect of, any Governmental Authority.

“Governmental Authority”: any nation, or any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank, administrative tribunal or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supra-national bodies exercising such powers or functions, such as the European Union or the European Central Bank) and any group or body charged with setting financial accounting or regulatory capital rules or standards (including, without limitation, the Financial Accounting Standards Board, the Bank for International Settlements or the Basel Committee on Banking Supervision or any successor or similar authority to any of the foregoing).

“Group Member”: the collective reference to Holdings, the Borrowers and UK Holdco and its Restricted Subsidiaries.

“guarantee”: as to any Person, a guarantee (other than by endorsement of negotiable instruments for collection in the ordinary course of business), direct or indirect, in any manner (including letters of credit and reimbursement agreements in respect thereof), of all or any part of any Indebtedness of another Person.

“Guarantee”: as defined in Section 8.2
“Guarantee Obligation”: as to any Person (the “guaranteeing person”), any obligation (including obligations arising by way of parallel debt), including a reimbursement, counterindemnity or similar obligation, of the guaranteeing person that guarantees or in effect guarantees, or which is given to induce the creation of a separate obligation by another Person (including any bank under any letter of credit) that guarantees or in effect guarantees, any Indebtedness (the “primary obligations”) of any other third Person (the “primary obligor”) in any manner, whether directly or indirectly, including any obligation of the guaranteeing 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, (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 or (d) otherwise to assure or hold harmless the owner of any such primary obligation against loss in respect thereof; provided, however, that the term Guarantee Obligation shall not include endorsements of instruments for deposit or collection in the ordinary course of business. The amount of any Guarantee Obligation of any guaranteeing person shall be deemed to be the lower of (a) an amount equal to the stated or determinable amount of the primary obligation in respect of which such Guarantee Obligation is made and (b) the maximum amount for which such guaranteeing person may be liable pursuant to the terms of the instrument embodying such Guarantee Obligation, unless such primary obligation and the maximum amount for which such guaranteeing person may be liable are not stated or determinable, in which case the amount of such Guarantee Obligation shall be such guaranteeing person’s maximum reasonably anticipated liability in respect thereof as determined by the Borrower Representative in good faith.

“Guaranteed Loan Party”: as defined in Section 8.12(d).

“Guaranteed Obligations”: as defined in Section 8.1(b).

“Guarantor Joinder Agreement”: an agreement substantially in the form of Exhibit G or in such other form reasonably approved by the Administrative Agent.

“Guarantors”: the collective reference to Holdings, the Borrowers (other than with respect to a Borrower’s own obligations or obligations with respect to which it is jointly and severally liable) and the Subsidiary Guarantors (in each case, except to the extent released in accordance with this Agreement).

“Hedging Obligations”: with respect to any Person, the obligations of such Person under Swap Agreements.

“Holding Company”: in relation to a company or corporation, any other company or corporation in respect of which it is a Subsidiary.

“Holdings”: as defined in the preamble hereto.

“Honor Date”: as defined in Section 3.5.

“IFRS”: International Financial Reporting Standards (formerly International Accounting Standards) as issued by the International Accounting Standards Board and its predecessor as in effect from time to time.

“Immaterial Subsidiary”: each Subsidiary which, as of the most recently ended Reference Period, contributed five percent (5%) or less of Consolidated EBITDA for such period; provided that, if at any time the aggregate amount of EBITDA attributable to all Subsidiaries that are Immaterial Subsidiaries exceeds ten percent (10%) of Consolidated EBITDA for any such period, the Borrower Representative (or, in the event the Borrower Representative has failed to do so within 30 days, the Administrative Agent) shall designate sufficient Subsidiaries to eliminate such excess, and such designated Subsidiaries shall no longer constitute Immaterial Subsidiaries under this Agreement.
“Incremental Amendment”: as defined in Section 2.25(c), and including, for the avoidance of doubt, the Incremental Facility Amendment.


“Incremental Arranger”: as defined in Section 2.25(a).

“Incremental Equivalent Debt”: as defined in Section 7.2(b)(vi).

“Incremental Facility”: any Class of Incremental Term Commitments or Revolving Commitment Increases and the extensions of credit made thereunder, as the context may require.

“Incremental Facility Amendment”: that certain Incremental Facility Amendment to the Credit Agreement, dated as of February 28, 2020, among Holdings, the Borrowers, the Guarantors party thereto, the New Term Lenders and the Administrative Agent.

“Incremental Facility Arrangers”: collectively, the Incremental Facility Arrangers listed on the cover page hereto.

“Incremental Facility Closing Date”: as defined in Section 2.25(c).

“Incremental Facility Transactions”: as defined in the Incremental Facility Amendment.

“Incremental Lender”: an Incremental Term Lender or Incremental Revolving Lender, as the context may require.

“Incremental Loan”: any Class of Incremental Term Loans or Incremental Revolving Loans, as the context may require.

“Incremental Revolving Lender”: as defined in Section 2.25(a).

“Incremental Revolving Loans”: as defined in Section 2.25(a).

“Incremental Term Commitments”: as defined in Section 2.25(a).

“Incremental Term Lender”: as defined in Section 2.25(a).

“Incremental Term Loan Maturity Date”: the date on which an Incremental Term Loan matures as set forth in the Incremental Amendment relating to such Incremental Term Loan.

“Incremental Term Loans”: as defined in Section 2.25(a).

“Incremental Term Percentage”: as to any Incremental Term Lender at any time, the percentage which such Lender’s Incremental Term Commitments then constitutes of the aggregate Incremental Term Commitments then outstanding.

“Incremental Yield Differential”: as defined in Section 2.25(a)(vii).

“Incur”: with respect to any Indebtedness, 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, consolidation, acquisition or otherwise) shall be deemed to be Incurred by such Person at the time it becomes a Subsidiary.
"Incurrence-Based Amount": as defined in Section 1.9(b).

"Indebtedness": with respect to any Person:

(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, asset or business, except (x) any such balance that constitutes a trade payable, accrued expense or similar obligation to a trade creditor and (y) any acquisition earn-out obligations, (iv) in respect of Capitalized Lease Obligations or (v) representing any Hedging Obligations, other than Hedging Obligations that are incurred in the normal course of business and not for speculative purposes, and that do not increase the Indebtedness of the obligor outstanding at any time other than as a result of fluctuations in interest rates, commodity prices or foreign currency exchange rates or by reason of fees, indemnities and compensation payable thereunder, 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, provided that Indebtedness of any direct or indirect parent of UK Holdco appearing upon the balance sheet of UK Holdco solely by reason of push-down accounting under GAAP shall be excluded;

(b) to the extent not otherwise included, any obligation of such Person to be liable for, or to pay, as obligor, guarantor or otherwise, the obligations described in clause (a) of another Person (other than by endorsement of negotiable instruments for collection in the ordinary course of business); and

(c) to the extent not otherwise included, obligations described in clause (a) 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;

provided that (a) Contingent Obligations incurred in the ordinary course of business, (b) obligations under or in respect of Receivables Financings, (c) Other Obligations associated with other post-employment benefits and pension plans, (d) any operating leases as such an instrument would be determined in accordance with GAAP prior to the issuance of the ASU, (e) in connection with the purchase by UK Holdco or any Restricted Subsidiary of any business, post-closing payment adjustments to which the seller may be entitled to the extent such payment is determined by a final closing balance sheet or such payment depends on the performance of such business after the closing until 30 days after any such obligation becomes contractually due and payable, (f) deferred or prepaid revenues, (g) any Capital Stock (other than Disqualified Stock), (h) 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, and (i) premiums payable to, and advance commissions or claims payments from, insurance companies, shall not constitute Indebtedness.

"Indemnitee": as defined in Section 11.5.

"Indemnified Liabilities": as defined in Section 11.5.

"Independent Financial Advisor": an accounting, appraisal or investment banking firm or consultant, in each case of nationally recognized standing that is, in the good faith determination of Holdings or its direct or indirect parent, qualified to perform the task for which it has been engaged.
“Initial Intercreditor Agreement”: the Intercreditor Agreement, dated as of the Closing Date, among Holdings, UK Holdco, the other Borrowers and the other Guarantors party thereto, Bank of America, N.A., as Credit Agreement Collateral Agent (as defined therein) for the Credit Agreement Secured Parties referred to therein, Wilmington Trust, National Association, as Initial Notes Collateral Agent (as defined therein) for the Notes Secured Parties referred to therein, and each additional Authorized Representative (as defined therein) from time to time party thereto for the Additional First Lien Secured Parties (as defined therein).

“Initial Term Loan”: (1) prior to the Incremental Amendment Effective Date, a Loan made pursuant to Section 2.1(b) on the Closing Date (such Loans, the “Closing Date Term Loans”) and (2) from and after the Incremental Amendment Effective Date, collectively, the Closing Date Term Loans and the New Term Loans.

“Inside Maturity Basket”: Incremental Term Loans, Incremental Equivalent Debt, Permitted Credit Agreement Refinancing Debt, Refinancing Indebtedness or other Indebtedness in an aggregate principal amount outstanding not exceeding the greater of $250,000,000 and 75% of Consolidated EBITDA as of the most recently ended Reference Period (as selected by the Borrower Representative).

“Insolvency”: with respect to any Multiemployer Plan, the condition that such Plan is insolvent within the meaning of Section 4245 of ERISA.

“Insolvent”: pertaining to a condition of Insolvency.

“Intellectual Property Security Agreements”: collectively, the US Intellectual Property Security Agreements and each other intellectual property security agreement or intellectual property security agreement supplement executed and delivered pursuant to Section 6.9, Section 6.11 or Schedule 1.1C (as such schedule may be amended or supplemented from time to time in accordance with the Agreed Security Principles), in each case as amended, restated, supplemented, replaced or otherwise modified from time to time in accordance with its terms.

“Intercreditor Agreements”: the Initial Intercreditor Agreement and/or any Acceptable Intercreditor Agreement entered into after the Closing Date, as the context may require or permit.

“Interest Coverage Ratio”: as of any date of determination for the most recently ended Reference Period or the Reference Period otherwise specified herein, the ratio of (a) Consolidated EBITDA for such period to (b) Consolidated Cash Interest Expense for such period. Unless otherwise specified herein, “Interest Coverage Ratio” shall be a reference to the Interest Coverage Ratio for the most recently ended Reference Period.

“Interest Payment Date”: (a) as to any ABR Loan (including any Swingline Loan), the last Business Day of each March, June, September and December (commencing on December 31, 2019) and the final maturity date of such Loan, (b) as to any Eurocurrency Loan having an Interest Period of three months or less, the last day of such Interest Period, (c) as to any Eurocurrency Loan having an Interest Period longer than three months, each day that is three months, or a whole multiple thereof, after the first day of such Interest Period and the last day of such Interest Period, (d) as to any Eurocurrency Loan (except in the case of the repayment or prepayment of all Loans or, as to any Revolving Loan, the Revolving Termination Date or such earlier date on which the Revolving Commitments are terminated), the date of any repayment or prepayment made in respect thereof and (e) as to any Swingline Loan, the last Business Day of each March, June, September and December (commencing on December 31, 2019), and the Revolving Termination Date.
“Interest Period”: as to any Eurocurrency Loan, the period commencing on the borrowing, continuation or conversion date, as the case may be, with respect to such Eurocurrency Loan and ending (i) one, two, three or six (in each case, subject to availability) months thereafter or (ii) if approved by all Lenders under the relevant Facility, twelve months thereafter, one week thereafter or such other period as all relevant Lenders shall agree, in each case as selected by the Borrower Representative in its irrevocable notice of borrowing, continuation or conversion, substantially in the form of Exhibit H, or such other form as may be approved by the Administrative Agent (including any form on an electronic platform or electronic transmission system as shall be approved by the Administrative Agent), appropriately completed and signed by a Responsible Officer of the Borrower Representative; provided that all of the foregoing provisions relating to Interest Periods are subject to the following:

(i) if any Interest Period would otherwise end on a day that is not a Business Day, such Interest Period shall be extended to the next succeeding Business Day unless the result of such extension would be to carry such Interest Period into another calendar month in which event such Interest Period shall end on the immediately preceding Business Day;

(ii) the Borrower Representative may not select an Interest Period under any Revolving Facility that would extend beyond the Revolving Termination Date and the Borrowers (with respect to the Term Loans other than the Incremental Term Loans) and the Borrowers (with respect to the Incremental Term Loans) may not select an Interest Period under the Term Facility beyond the date final payment is due on the Term Loans;

(iii) any Interest Period that begins on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall end on the last Business Day of a calendar month;

(iv) if the Borrower Representative shall fail to specify the Interest Period in any notice of borrowing of, conversion to, or continuation of, Eurocurrency Loans, the Borrower Representative shall be deemed to have selected an Interest Period of one month; and

(v) the Borrower Representative shall be permitted to select an Interest Period of one week on no more than ten (10) instances per annum.

“Investment Grade Rating”: a rating equal to or higher than Baa3 (or the equivalent) by Moody’s or BBB- (or the equivalent) by S&P, or an equivalent rating by any other Rating Agency.

“Investment Grade Securities”:

(1) securities issued or directly and fully guaranteed or insured by the government or any agency or instrumentality thereof (other than Cash Equivalents) of the U.S., Canada, any country that is a member of the European Union, the United Kingdom, Japan or Switzerland;

(2) securities that have an Investment Grade Rating;

(3) investments in any fund that invests at least 95% of its assets in investments of the type described in clauses (1) and (2) which fund may also hold immaterial amounts of cash pending investment and/or distribution; and

(4) corresponding instruments in countries other than the United States customarily utilized for high quality investments.
“Investments”: 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 or extensions of credit to customers and vendors and commission, travel and similar advances to officers, directors, employees and consultants made in the ordinary course of business) and purchases or other acquisitions for consideration of Indebtedness, Equity Interests or other securities issued by any other Person. For purposes of the definition of “Unrestricted Subsidiary” and Section 7.3:

(1) “Investments” shall include the portion (proportionate to UK Holdco’s direct or indirect equity interest in such Subsidiary) of the Fair Market Value of the net assets of a Subsidiary of UK Holdco at the time that such Subsidiary is designated an Unrestricted Subsidiary; provided, however, that upon a redesignation of such Subsidiary as a Restricted Subsidiary, UK Holdco shall be deemed to continue to have a permanent “Investment” in an Unrestricted Subsidiary equal to an amount (if positive) equal to:

(a) UK Holdco’s direct or indirect “Investment” in such Subsidiary at the time of such redesignation less

(b) the portion (proportionate to UK Holdco’s equity interest in such Subsidiary) of the Fair Market Value of the net assets of such Subsidiary at the time of such redesignation;

(2) any property transferred to or from an Unrestricted Subsidiary shall be valued at its Fair Market Value at the time of such transfer, in each case as determined in good faith by the Borrower Representative; and

(3) the amount of any Investment shall be the original cost of such Investment, plus the cost of any addition thereto that otherwise constitutes an Investment, without any adjustments for increases or decreases in value, or write-ups, write-downs or write-offs with respect thereto, but giving effect to any repayments of principal in the case of any Investment in the form of a loan and any return of capital or return on Investment in the case of any equity Investment (whether as a distribution, dividend, redemption or sale).

For the avoidance of doubt, a guarantee by UK Holdco or a Restricted Subsidiary of the obligations of another Person (the “primary obligor”) shall not be deemed to be an Investment by UK Holdco or such Restricted Subsidiary primary obligor to the extent that such obligations of the primary obligor are in favor of UK Holdco or any Restricted Subsidiary, and in no event shall (x) a guarantee of an operating lease or other business contract of UK Holdco or any Restricted Subsidiary or (y) intercompany indebtedness among UK Holdco and the Restricted Subsidiaries made in the ordinary course of business and having a term not exceeding 364 days be deemed an Investment.

“IRS” as defined in Section 11.6(c)(i).

“Issuer Documents”: with respect to any Letter of Credit, the application form, and any other document, agreement and instrument entered into by any Issuing Lender and a Borrower (or any Subsidiary) or in favor of such Issuing Lender and relating to such Letter of Credit.

“Issuing Lender”: (i) each Revolving Lender as of the Closing Date or in each case any of their respective affiliates, each in its capacity as issuer of any Letter of Credit and (ii) such other Revolving Lenders or Affiliates of Revolving Lenders that are reasonably acceptable to the Administrative Agent and the Borrower Representative that agrees pursuant to an agreement with and in form and substance reasonably satisfactory to the Administrative Agent and the Borrower Representative, to be bound by the terms hereof applicable to such Issuing Lender.

“Joint Bookrunners”: collectively, the Joint Bookrunners listed on the cover page hereof.

“Joint Lead Arrangers”: collectively, the Joint Lead Arrangers listed on the cover page hereof.

“Junior Indebtedness”: third party Subordinated Indebtedness for borrowed money of UK Holdco or any of its Restricted Subsidiaries that is a Loan Party in an aggregate outstanding principal amount exceeding the greater of $125,000,000 and 39% of Consolidated EBITDA as of the most recently ended Reference Period.

“Latest Maturity Date”: at any date of determination, the latest maturity or expiration date applicable to any Loan or Commitment hereunder at such time, including the latest maturity or expiration date of any Incremental Term Loans, Other Term Loan, any Other Term Commitment, any Other Revolving Loan or any Other Revolving Commitment.

“Laws”: collectively, all international, foreign, federal, state and local statutes, treaties, rules, guidelines, regulations, ordinances, codes and administrative or judicial precedents or authorities, including the interpretation or administration thereof by any Governmental Authority charged with the enforcement, interpretation or administration thereof, and all applicable administrative orders, directed duties, requests, licenses, authorizations and permits of, and agreements with, any Governmental Authority, in each case whether or not having the force of law.

“LCT Election”: as defined in Section 1.4.

“LCT Test Date”: as defined in Section 1.4.

“L/C Advance”: with respect to each L/C Participant, such L/C Participant’s funding of its participation in any Letter of Credit in accordance with Section 3.4(a).

“L/C Borrowing”: an extension of credit resulting from a drawing under any Letter of Credit which has not been reimbursed on the date when made or Refinanced as a Revolving Borrowing.

“L/C Commitment”: $40,000,000.

“L/C Credit Extension”: with respect to any Letter of Credit, the issuance thereof or extension of the expiry date thereof, or the renewal or increase of the amount thereof.

“L/C Obligations”: at any time, an amount equal to the sum of (a) the aggregate then undrawn and unexpired amount of the then outstanding Letters of Credit and (b) the aggregate amount of drawings under Letters of Credit that have not then been reimbursed pursuant to Section 3.5. For purposes of computing the amount available to be drawn under any Letter of Credit, the amount of such Letter of Credit shall be determined in accordance with Section 3.9 and, if on any date of determination a Letter of Credit has expired by its terms but any amount may still be drawn thereunder by reason of the operation of Rule 3.14 of the ISP, such Letter of Credit shall be deemed to be “outstanding” in the amount so remaining available to be drawn.
“L/C Participants”: the collective reference to all the Revolving Lenders other than each Issuing Lender.

“L/C Sublimit”: with respect to any Issuing Lender, (i) the amount set forth opposite the name of such Issuing Lender on Schedule 1.1A-2 or (ii) such other amount specified in the agreement by which such Issuing Lender becomes an Issuing Lender hereunder.

“Legal Reservations”:

(1) the principle that enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors’ rights generally and by general equitable principles (whether enforcement is sought by proceedings in equity or at law);

(2) the time barring of claims under any applicable law (including the Limitation Acts) of any Relevant Jurisdiction, the possibility that an undertaking to assume liability for or indemnify a person against non-payment of stamp duty may be void and defenses of set-off or counterclaim;

(3) the principle that in certain circumstances Liens granted by way of fixed charge may be re-characterized as a floating charge or that Liens purported to be constituted as an assignment may be re-characterized as a charge;

(4) the principle that additional interest imposed pursuant to any relevant agreement may be held to be unenforceable on the grounds that it is a penalty and therefore void;

(5) the principle that a court may not give effect to an indemnity for legal costs incurred by an unsuccessful litigant;

(6) the principle that the creation or purported creation of a Lien over any contract or agreement which is subject to a prohibition on transfer, assignment or charging may be void, ineffective or invalid and may give rise to a breach of the contract or agreement over which a Lien has purportedly been created;

(7) similar principles, rights and defenses under the laws of any Relevant Jurisdiction; and

(8) any other matters which are set out as qualifications or reservations as to matters of law of general application in the legal opinions delivered pursuant to this Agreement.

“Lenders”: as defined in the preamble hereto; provided that, unless the context otherwise requires, each reference herein to the Lenders shall be deemed to include the Issuing Lenders.

“Letter of Credit Expiration Date”: the day that is three Business Days prior to the scheduled Revolving Termination Date (or, if such day is not a Business Day, the immediately preceding Business Day).

“Letters of Credit”: as defined in Section 3.1(a).

“LIBOR”: as set forth in Eurocurrency Rate.

“LIBOR Quoted Currency”: each of the following currencies: Dollars, Euro, Sterling, Yen, and Swiss Franc, in each case as long as there is a published LIBOR rate with respect thereto.
“LIBOR Screen Rate”: the LIBOR quote on the applicable screen page the Administrative Agent designates to determine LIBOR (or such other commercially available source providing such quotations as may be designated by the Administrative Agent in consultation with the Borrower Representative from time to time).

“LIBOR Successor Rate”: as specified in Section 2.16(b).

“LIBOR Successor Rate Conforming Changes”: with respect to any proposed LIBOR Successor Rate, any conforming changes to the definition of ABR, Interest Period, timing and frequency of determining rates and making payments of interest and other technical, administrative or operational matters as may be appropriate, in the discretion of the Administrative Agent (in consultation with the Borrower Representative), to reflect the adoption and implementation of such LIBOR Successor Rate and to permit the administration thereof by the Administrative Agent in a manner substantially consistent with market practice (or, if the Administrative Agent determines that adoption of any portion of such market practice is not administratively feasible or that no market practice for the administration of such LIBOR Successor Rate exists, in such other manner of administration as the Administrative Agent (in consultation with the Borrower Representative) determine is reasonably necessary in connection with the administration of this Agreement).

“Lien”: any mortgage, deed of trust, pledge, hypothecation, collateral assignment, deposit arrangement, encumbrance, lien (statutory or other), charge or other security interest or any preference, priority or other security agreement or preferential arrangement of any kind or nature whatsoever (including any conditional sale or other title retention agreement and any capital lease having substantially the same economic effect as any of the foregoing).


“Limited Condition Transaction”: any transaction, any acquisition or other Investment permitted hereunder (including by way of merger, amalgamation or consolidation), any assumption or incurrence of Indebtedness or issuance of Preferred Stock or Disqualified Stock, any Asset Sale or any Restricted Payment, by UK Holdco or one or more of the Restricted Subsidiaries.

“Loan”: any loan made or maintained by any Lender pursuant to this Agreement.

“Loan Documents”: this Agreement, any Intercreditor Agreement, the Notes, the Security Documents, any Refinancing Amendment, any Incremental Amendment: (including the Incremental Facility Amendment), any Loan Modification Agreement, any Borrower Joinder and any other document designated as a “Loan Document” by the Administrative Agent and the Borrower Representative from time to time.

“Loan Modification Agent”: as defined in Section 2.28(a).

“Loan Modification Agreement”: as defined in Section 2.28(b).

“Loan Modification Offer”: as defined in Section 2.28(a).

“Loan Note Instrument (Notes)”: the Loan Note Instrument constituting $700,000,000 Principal Amount Floating Rate Unsecured Loan Notes Due 2026 dated as of the Closing Date, issued by UK Holdco, as amended, novated, supplemented, restated, extended, amended and restated or otherwise modified from time to time.
“Loan Note Instrument (Term Loans)”: the Loan Note Instrument constituting up to $900,000,000 Principal Amount Floating Rate Unsecured Loan Notes Due 2026 (with an initial issuance on the Closing Date in a principal amount of $493,000,000) dated as of the Closing Date, issued by UK Holdco, as amended, novated, supplemented, restated, extended, amended and restated or otherwise modified from time to time.

“Loan Note Instruments”: the collective reference to the Loan Note Instrument (Notes) and the Loan Note Instrument (Term Loans).

“Loan Parties”: the collective reference to the Borrowers and the Guarantors.

“London Banking Day”: any day on which dealings in Dollar deposits are conducted by and between banks in the London interbank market.

“Lux Borrower”: as defined in the recitals hereto.

“Luxembourg Borrower”: any Borrower whose registered office/place of central administration is in Luxembourg and whose centre of main interests (as that term is used in Article 3(1) of Regulation (EU) 2015/848 of the European Parliament and of the Council of 20 May 2015 on insolvency proceedings (recast)) is in Luxembourg.

“Luxembourg Exempt Lender”: in relation to a Luxembourg Borrower, a Lender which is (otherwise than by reason of being a Luxembourg Treaty Lender) able to receive interest from that Borrower without a deduction or withholding for, or on account of, Tax imposed by Luxembourg.

“Luxembourg Guarantor”: any Guarantor whose registered office/place of central administration is in Luxembourg and whose centre of main interests (as that term is used in Article 3(1) of Regulation (EU) 2015/848 of the European Parliament and of the Council of 20 May 2015 on insolvency proceedings (recast)) is in Luxembourg.

“Luxembourg Loan Party”: any Loan Party whose registered office/place of central administration is in Luxembourg and whose centre of main interests (as that term is used in Article 3(1) of Regulation (EU) 2015/848 of the European Parliament and of the Council of 20 May 2015 on insolvency proceedings (recast)) is in Luxembourg.

“Luxembourg Qualifying Lender”: in respect of amounts payable by any Luxembourg Borrower, a Lender which is beneficially entitled to interest payable to that Lender in respect of a Loan or Letter of Credit and is (i) lending through (A) an entity tax resident in Luxembourg, or (B) a permanent establishment in Luxembourg to which the relevant interest payment is effectively attributable for tax purposes, (ii) a Luxembourg Exempt Lender or (iii) a Luxembourg Treaty Lender.

“Luxembourg Treaty”: as defined in the definition of “Luxembourg Treaty State”.

“Luxembourg Treaty Lender”: a Lender which (i) is treated as a resident of a Luxembourg Treaty State for the purposes of the Luxembourg Treaty, (ii) does not carry on a business in Luxembourg through a permanent establishment with which that Lender’s participation in the Loan or Letter of Credit is effectively connected and (iii) fulfils any other conditions which must be fulfilled under the relevant Luxembourg Treaty and the laws of Luxembourg to obtain exemption from taxation imposed by Luxembourg on interest.
“Luxembourg Treaty State”: a jurisdiction having a double taxation agreement with Luxembourg which makes provision for full exemption from tax imposed by Luxembourg on interest (a “Luxembourg Treaty”).

“Majority Facility Lenders”: (a) with respect to any Revolving Facility, the Majority Revolving Lenders with respect to such Revolving Facility and (b) with respect to any Term Facility, the Majority Term Lenders with respect to such Term Facility.

“Majority Revolving Lenders”: at any time with respect to any Revolving Facility, (i) prior to the termination of all Revolving Commitments with respect to such Revolving Facility, non-Defaulting Lenders holding more than 50% of the Total Revolving Commitments and (ii) after the termination of all the Revolving Commitments with respect to such Revolving Facility, non-Defaulting Lenders holding more than 50% of the Total Revolving Extensions of Credit with respect to such Revolving Facility.

“Majority Term Lenders”: at any time with respect to any Term Facility, Term Lenders that are non-Defaulting Lenders having Term Loans and unused and outstanding Term Commitments with respect to such Term Facility representing more than 50% of the sum of all Term Loans outstanding and unused and outstanding Term Commitments with respect to such Term Facility at such time.

“Management Agreement”: one or more management services or consulting services agreements, entered into prior to the Closing Date between UK Holdco or any direct or indirect parent company or any Restricted Subsidiary and the Sponsors and any other beneficial owner in the equity in the Borrower Representative or any direct or indirect parent company of the Borrower Representative.

“Management Determination”: as defined in Section 8.12(d).

“Management Investor”: any Person who is a director, officer or otherwise a member of management of UK Holdco, any of its Restricted Subsidiaries or any of UK Holdco’s direct or indirect parent companies on the Closing Date.

“Margin Stock”: as set forth in Regulation U of the Board of Governors of the United States Federal Reserve System, or any successor thereto.

“Market Capitalization”: on any date of determination, an amount equal to (a) the total number of then issued and outstanding shares of common Capital Stock of Holdings or its applicable direct or indirect parent entity multiplied by (b) the arithmetic mean of the closing prices per share of such common shares of Capital Stock on the principal securities exchange on which such common Capital Stock are traded for the 30 consecutive trading days immediately preceding such date.

“Market Intercreditor Agreement”: as defined in the definition of “Acceptable Intercreditor Agreement.”

“Master Agreement”: as defined in the definition of “Qualified Counterparty.”

“Material Adverse Effect”: a material adverse effect on (a) the business, assets, liabilities, operations, financial condition or operating results of UK Holdco and the Restricted Subsidiaries taken as a whole, (b) the ability of the Loan Parties (taken as a whole) to perform their payment obligations under the Loan Documents or (c) the material rights, remedies and benefits available to, or conferred upon, the Administrative Agent, any Lender or any Secured Party hereunder or under any other Loan Document (taken as a whole).
“Material Restricted Subsidiary”: at any date, a Restricted Subsidiary which is a Material Subsidiary.

“Material Subsidiary”: at any date, a Subsidiary which is not an Immaterial Subsidiary.

“Materials of Environmental Concern”: any chemicals, pollutants, contaminants, wastes, toxic substances, hazardous substances, any petroleum or petroleum products, asbestos, polychlorinated biphenyls, lead or lead-based paints or materials, radon, toxic molds or fungus, and urea-formaldehyde insulation, in each case, that are regulated pursuant to Environmental Law.

“Maximum Amount”: as defined in Section 11.20(a).

“MFN Provision”: as defined in Section 2.25(a)(iv).

“Minimum Extension Condition”: as defined in Section 2.28(c).

“Moody’s”: Moody’s Investors Service, Inc., or any successor to the rating agency business thereof.

“Multiemployer Plan”: a Plan that is a multiemployer plan as defined in Section 4001(a)(3) of ERISA.

“Net Assets”: as defined in Section 8.12(d).

“Net Cash Proceeds”: (a) in connection with any Asset Sale, any Recovery Event or any other sale of assets, the proceeds thereof actually received in the form of cash and Cash Equivalents (including any such proceeds received by way of deferred payment of principal pursuant to a note or installment receivable or purchase price adjustment receivable or otherwise, but only as and when received), net of (i) attorneys’ fees, accountants’ fees, investment banking fees, and other bona fide fees, costs and expenses actually incurred in connection therewith, (ii) amounts required to be applied to the repayment of Indebtedness secured by a Lien expressly permitted hereunder on any asset that is the subject of such Asset Sale, Recovery Event or other sale of assets (other than any Lien pursuant to a Security Document), (iii) Taxes paid and the Borrower Representative’s reasonable and good faith estimate of income, franchise, sales, and other applicable Taxes required to be paid by any Group Member in connection with such Asset Sale, Recovery Event or other sale of assets, (iv) a reasonable reserve for any indemnification payments (fixed or contingent) attributable to the seller’s indemnities and representations and warranties to the purchaser in respect of such Asset Sale, Recovery Event or other sale of assets owing by any Group Member in connection therewith and which are reasonably expected to be required to be paid; provided that to the extent such indemnification payments are not made and are no longer reserved for, such reserve amount shall constitute Net Cash Proceeds, (v) cash escrows to any Group Member from the sale price for such Asset Sale, Recovery Event or other sale of assets; provided that any cash released from such escrow shall constitute Net Cash Proceeds upon such release, (vi) in the case of a Recovery Event, costs of preparing assets for transfer upon a taking or condemnation, (vii) other customary fees and expenses actually incurred in connection therewith and net of Taxes paid or reasonably estimated to be payable as a result thereof (after taking into account the reduction in Tax liability resulting from any available operating losses and net operating loss carryovers, Tax credits, and Tax credit carry forwards, and similar Tax attributes or deductions and any Tax sharing arrangements) and (viii) in the case of any Asset Sale, Recovery Event or any other sale of assets by a non-Wholly Owned Subsidiary, the pro rata portion of the Net Cash Proceeds thereof (calculated without regard to this clause (viii)) attributable to any minority interest and not available for distribution to or for the account of UK Holdco or a Wholly-Owned Restricted Subsidiary as a result thereof, and (b) in connection with any issuance or sale of Capital Stock or any incurrence or issuance of Indebtedness, the cash proceeds received from any such issuance or incurrence, net of attorneys’ fees, investment banking fees, accountants’ fees, underwriting discounts and commissions and other bona fide fees and expenses actually incurred in connection therewith.
“Net Income”: with respect to any Person, the net income (loss) attributable to such Person, determined in accordance with GAAP and before any reduction in respect of Preferred Stock dividends.

“Net Short Lender” has the meaning set forth in Section 11.1(b)(xi).

“Netted Amounts”: as defined in the definition of “Consolidated Total Indebtedness.”

“New Term Commitment”: as to any New Term Lender, (i) the obligation of such New Term Lender, if any, to make a New Term Loan to the Term Borrowers in a principal amount not to exceed the amount set forth under the heading “New Term Commitment” opposite such New Term Lender’s name on Schedule 1 to the Incremental Facility Amendment. The original aggregate principal amount of the New Term Commitments is $360,000,000 on the Incremental Amendment Effective Date.

“New Term Lenders”: as defined in the Incremental Facility Amendment and its permitted successors and assigns.

“New Term Loans”: the Term Loans made by the New Term Lenders to the Term Borrowers pursuant to Section 2.1(ii).

“New Term Loan Facility”: the Facility under which the New Term Loans are made available on the Incremental Amendment Effective Date pursuant to the Incremental Facility Amendment.

“Non-Debt Fund Affiliate”: any Affiliate of Holdings other than (i) Holdings, the Borrowers or any Subsidiary of Holdings or the Borrowers, (ii) any Debt Fund Affiliate and (iii) any natural person (or a holding company, investment vehicle or trust for, or owned and operated by or for the primary benefit of, one or more natural persons).

“Non-Excluded Taxes”: as defined in Section 2.19(a).

“Non-Guarantor Subsidiary”: any Subsidiary that is not a Subsidiary Guarantor.

“Non-LIBOR Quoted Currency” means any currency other than LIBOR Quoted Currency.

“Non-U.S. Lender”: as defined in Section 2.19(i).

“Note”: a Term Loan Note, a Revolving Loan Note or a Swingline Loan Note.

“Notice of Intent to Cure”: an Officer’s Certificate signed on behalf of the Borrower Representative delivered to the Administrative Agent, with respect to each period of four consecutive fiscal quarters for which a Cure Right will be exercised, on or before the date the financial statements required under Section 6.1(a) or (b) were required to have been delivered, which Officer’s Certificate shall contain a computation of the applicable Event of Default and notice of intent to cure such Event of Default through the issuance of Permitted Cure Securities as contemplated under Section 9.4.
“Obligations”: the unpaid principal of and interest on (including interest accruing after the maturity of the Loans or the maturity of Cash Management Obligations and interest accruing after the filing of any petition in bankruptcy, or the commencement of any insolvency, reorganization or like proceeding, relating to any Borrower or any Guarantor, whether or not a claim for post-filing or post-petition interest is allowed in such proceeding) the Loans, and all other obligations and liabilities (including obligations arising by way of parallel debt) of any Borrower or any other Loan Party (including with respect to guarantees) to the Administrative Agent, any Lender or any other Secured Party, whether direct or indirect, absolute or contingent, due or to become due, or now existing or hereafter incurred, which may arise under, out of, or in connection with, this Agreement, or any other Loan Document or any other document made, delivered or given in connection herewith or therewith or any Specified Swap Agreement (other than, in the case of any Excluded ECP Guarantor, any Excluded Swap Obligations arising thereunder) or any Specified Cash Management Agreement, whether on account of principal, interest, reimbursement obligations, fees, indemnities, costs, expenses (including all fees, charges and disbursements of counsel to the Administrative Agent or to any Lender that are required to be paid by any Borrower or any Guarantor pursuant to any Loan Document), guarantee obligations or otherwise.

“OFAC”: the U.S. Department of the Treasury’s Office of Foreign Assets Control.

“Offer Price”: as defined in the definition of “Dutch Auction.”

“Officer’s Certificate”: a certificate signed on behalf of the Borrower Representative or any other Group Member by any Responsible Officer thereof.

“OID”: with respect to any Term Loan or Revolving Facility (or repricing thereof), or any Incremental Term Loan or Revolving Commitment Increase, as the case may be, the amount of any original issue discount or upfront fees (which shall be deemed to constitute a like amount of original issue discount), but excluding any arrangement, structuring, commitment or other fees payable in connection therewith that are not shared with all Lenders in the primary syndication thereof, which excluded fees shall not be included and equated to the interest rate.

“Organizational Document”: (i) relative to each Person that is a corporation or company, its charter and its by-laws or memorandum and articles of association (or similar documents), (ii) relative to each Person that is a limited liability company, its certificate of formation and its operating agreement (or similar documents), (iii) relative to each Person that is a limited partnership, its certificate of formation or registration and its limited partnership agreement (or similar documents), (iv) relative to each Person that is a general partnership, its partnership agreement (or similar document), (v) relative to each Person that is an exempted limited partnership, its exempted limited partnership agreement, (vi) relative to each Person that is an exempted company, its memorandum and articles of association and (vii) relative to any Person that is any other type of entity, such documents as shall be comparable to the foregoing.

“Other Applicable Indebtedness”: as defined in Section 2.11(i).

“Other Guarantor”: as defined in Section 8.12(f).

“Other Obligations”: any principal, interest, premium, penalties, fees, indemnifications, reimbursements (including reimbursement obligations with respect to letters of credit and bankers’ acceptances), damages and other liabilities payable under the documentation governing any Indebtedness.

“Other Revolving Commitments”: one or more Classes of revolving credit commitments hereunder or extended Revolving Commitments hereunder that result from a Refinancing Amendment.

“Other Revolving Loans”: the Revolving Loans made pursuant to any Other Revolving Commitment.
“Other Taxes”: any and all present or future stamp or documentary taxes or any other excise or property taxes, charges or similar levies (including any penalties, interest and additional amounts with respect thereto) arising from any payment made hereunder or from the execution, delivery or enforcement of, or otherwise with respect to, this Agreement or any other Loan Document.

“Other Term Commitments”: one or more Classes of term loan commitments hereunder that result from a Refinancing Amendment.

“Other Term Loans”: one or more Classes of Term Loans that result from a Refinancing Amendment.

“Outstanding Amount”: (a) with respect to the Term Loans, Revolving Loans and Swingline Loans on any date, the Dollar Amount of the aggregate outstanding principal amount thereof on such date after giving effect to any borrowings and prepayments or repayments of Term Loans, Revolving Loans (including any refinancing of outstanding unpaid drawings under Letters of Credit or L/C Credit Extensions as a Revolving Borrowing) and Swingline Loans, as the case may be, occurring on such date and (b) with respect to any L/C Obligations on any date, the Dollar Amount of the aggregate outstanding amount thereof on such date after giving effect to any L/C Credit Extension occurring on such date and any other changes thereto as of such date, including as a result of any reimbursements of outstanding unpaid drawings under any Letters of Credit (including any refinancing of outstanding unpaid drawings under Letters of Credit or L/C Credit Extensions as a Revolving Borrowing) or any reductions in the maximum amount available for drawing under Letters of Credit taking effect on such date.

“Overnight Rate”: for any day, (a) with respect to any amount denominated in Dollars, the greater of (i) the Federal Funds Rate and (ii) an overnight rate determined by the Administrative Agent, the Issuing Lender, or the Swingline Lender, as the case may be, in accordance with banking industry rules on interbank compensation, and (b) with respect to any amount denominated in an Alternative Currency, the rate of interest per annum at which overnight deposits in the applicable Alternative Currency, in an amount approximately equal to the amount with respect to which such rate is being determined, would be offered for such day by a branch or Affiliate of Bank of America, N.A. in the applicable offshore interbank market for such currency to major banks in such interbank market.

“Parent Holding Company”: any direct or indirect parent entity of Holdings which holds directly or indirectly 100% of the Equity Interest of Holdings and which does not hold Equity Interests in any other Person (except for any other Parent Holding Company).

“Participant”: as defined in Section 11.6(c).

“Participant Register”: as defined in Section 11.6(c).

“Participating Member State”: any member state of the European Union that has the euro as its lawful currency in accordance with legislation of the European Union relating to Economic and Monetary Union.

“Patriot Act”: USA PATRIOT Improvement and Reauthorization Act, Pub. L. 109-177 (signed into law March 9, 2009), as amended.

“PBGC”: the Pension Benefit Guaranty Corporation established pursuant to Subtitle A of Title IV of ERISA (or any successor).
“Perfection Requirements”: the making or procuring of appropriate registrations, filings, endorsements, stampings and intimation and/or the taking of control, possession or of other actions in accordance with local laws and/or notifications of the Security Documents and/or the Liens created thereunder.

“Permitted Acquisition”: as defined in clause (23) of the definition of “Permitted Investments.”

“Permitted Amendment”: an amendment to this Agreement and the other Loan Documents, effected in connection with a Loan Modification Offer pursuant to Section 2.28, providing for an extension of the maturity date applicable to the Loans and/or Commitments of the Accepting Lenders and, in connection therewith, (a) a change to the Applicable Margin with respect to the Loans and/or Commitments of the Accepting Lenders, (b) a change to the fees payable to, or the inclusion of new fees to be payable to, the Accepting Lenders and/or (c) any other changes permitted by the terms of Section 2.28.

“Permitted Asset Swap”: the substantially concurrent purchase and sale or exchange of Related Business Assets or a combination of Related Business Assets and cash or Cash Equivalents between UK Holdco or any of the Restricted Subsidiaries and another Person; provided that any cash or Cash Equivalents received must be applied in accordance with Section 7.5.

“Permitted Auction Purchaser”: any Borrower or Holdings.

“Permitted Clean-Up Investment”: any Investment referred to in clauses (3), (9), (21) and (23) of the definition of “Permitted Investments.”

“Permitted Credit Agreement Refinancing Debt”: (a) Permitted First Priority Refinancing Debt, (b) Permitted Second Priority Refinancing Debt, (c) Permitted Unsecured Refinancing Debt or (d) Indebtedness incurred or Other Revolving Commitments obtained pursuant to a Refinancing Amendment, in each case, issued, incurred or otherwise obtained (including by means of the extension or renewal of existing Indebtedness) in exchange for, or to extend, renew or Refinance, in whole or part, existing Term Loans, outstanding Revolving Loans or in the case of Other Revolving Commitments obtained pursuant to a Refinancing Amendment) Revolving Commitments hereunder (including any successive Permitted Credit Agreement Refinancing Debt) (any such extended, renewed, replaced or Refinanced Term Loans, Revolving Loans or Revolving Commitments, “Refinanced Credit Agreement Debt”); provided that (i) such extending, renewing or refinancing Indebtedness (including, if such Indebtedness includes or relates to any Other Revolving Commitments, the unused portion of such Other Revolving Commitments) is in an original aggregate principal amount (or accreted value, if applicable) not greater than the aggregate principal amount (or accreted value, if applicable) of the Refinanced Credit Agreement Debt (and, in the case of Refinanced Credit Agreement Debt consisting, in whole or in part, of unused Revolving Commitments or Other Revolving Commitments, the amount thereof) plus an amount equal to unpaid and accrued interest and premium thereon plus other reasonable and customary fees and expenses (including upfront fees and original issue discount), (ii) in the case of Other Revolving Commitments and Other Revolving Loans, there shall be no required repayment thereof (other than in connection with a voluntary reduction of commitments or availability thereof) prior to the maturity thereof, and (iii) such Refinanced Credit Agreement Debt shall be repaid, defeased or satisfied and discharged, and all accrued interest, fees and premiums (if any) in connection therewith shall be paid, on the date such Permitted Credit Agreement Refinancing Debt is issued, incurred or obtained; provided that to the extent that such Refinanced Credit Agreement Debt consists, in whole or in part, of Revolving Commitments or Other Revolving Commitments or Other Credit Revolving Commitments, such Revolving Commitments or Other Revolving Commitments, as applicable, shall be terminated, and all accrued fees in connection therewith shall be paid, on the date such Permitted Credit Agreement Refinancing Debt is issued, incurred or obtained.
“Permitted Cure Securities”: any Qualified Equity Interest in Holdings.

“Permitted First Priority Refinancing Debt”: any secured Indebtedness incurred by any Borrower or Subsidiary Guarantor in the form of one or more series of senior secured notes or senior secured term loans (each, a “First Priority Refinancing Term Facility”) or one or more senior secured revolving credit facilities (each, a “First Priority Refinancing Revolving Facility”); provided that (i) such Indebtedness is secured by the Collateral on a pari passu basis (but without regard to the control of remedies) with the Obligations, (ii) such Indebtedness constitutes Permitted Credit Agreement Refinancing Debt in respect of Term Loans (including portions of Classes of Term Loans, Other Term Loans or Incremental Term Loans) or outstanding Revolving Loans and (iii) such Indebtedness complies with the Permitted Refinancing Requirements; provided that an Officer’s Certificate signed on behalf of the Borrower Representative delivered to the Administrative Agent at least five (5) Business Days (or such shorter period acceptable to the Administrative Agent) prior to the incurrence of such Indebtedness, together with a reasonably detailed description of the material terms and conditions of such Indebtedness or drafts of the documentation relating thereto, stating that the Borrower Representative has determined in good faith that such terms and conditions satisfy the requirement of this definition shall be conclusive evidence that such terms and conditions satisfy such requirement unless the Administrative Agent notifies the Borrower Representative within such five (5) Business Day period that it disagrees with such determination (including a reasonable description of the basis upon which it disagrees)). Permitted First Priority Refinancing Debt will include any Registered Equivalent Notes issued in exchange therefor.

“Permitted Holders”: (i) the Sponsors, (ii) the Management Investors, (iii) any Person that has no material assets other than the Capital Stock of UK Holdco and, directly or indirectly, holds or acquires 100% of the total voting power of the Voting Stock of Holdings or any direct or indirect Parent Holding Company, and of which no other Person or group (within the meaning of Section 13(d)(3) or Section 14(d)(2) of the Exchange Act, or any successor provision), other than any Permitted Holder specified in clause (i) above, holds more than 50% of the total voting power of the Voting Stock thereof, (iv) any other beneficial owner in the equity in Holdings or any direct or indirect Parent Holding Company as of the Closing Date and (v) any group (within the meaning of Section 13(d)(3) or Section 14(d)(2) of the Exchange Act, or any successor provision) the members of which include any Permitted Holder specified in clauses (i), (iii) or (iv) above and that, directly or indirectly, hold or acquire beneficial ownership of the Voting Stock of Holdings or any direct or indirect Parent Holding Company or of a Permitted Holder specified in clause (iii) above (a “Permitted Holder Group”), so long as no Person or other “group” (other than a Permitted Holder or group of Permitted Holders specified in clauses (i), (iii) and (iv) above) beneficially owns more than 50% on a fully diluted basis of the Voting Stock held by the Permitted Holder Group.

“Permitted Investments”:

1. any Investment in UK Holdco or any Restricted Subsidiary;

2. any Investment in Cash Equivalents or Investment Grade Securities;

3. (x) any Investment by UK Holdco or any Restricted Subsidiary in a Person if as a result of such Investment (a) such Person becomes a Restricted Subsidiary, or (b) such Person, in one transaction or a series of related transactions, is merged, consolidated or amalgamated with or into, or transfers or conveys all or substantially all of its assets to, or is liquidated into, UK Holdco or a Restricted Subsidiary and (y) any Investment held by such Person; provided that such Investment was not acquired by such Person in contemplation of such acquisition, merger, consolidation or transfer;
any Investment in securities or other assets, including earnouts or similar obligations, not constituting Cash Equivalents or Investment Grade Securities and received in connection with an Asset Sale made pursuant to Section 7.5 or any other disposition of assets not constituting an Asset Sale;

any Investment (x) existing on the Closing Date (in the case of any individual Investment in excess of $5,000,000, to be set forth on Schedule 1.1D), (y) made pursuant to binding commitments in effect on the Closing Date (in the case of any individual Investment in excess of $5,000,000, to be set forth on Schedule 1.1D) and (z) that replaces, Refinances, refunds, renew or extends any Investment described under either of the immediately preceding clauses (x) or (y), provided that any such Investment is in an amount that does not exceed the amount replaced, Refinanced, refunded, renewed or extended except to the extent required by the terms of such Investment on the Closing Date;

loans and advances to, and guarantees of Indebtedness of, employees of UK Holdco (or any of its direct or indirect parent companies) or a Restricted Subsidiary not in excess of the greater of $20,000,000 and 7% of Consolidated EBITDA as of the most recently ended Reference Period outstanding at any one time, in the aggregate;

any Investment acquired by UK Holdco or any of the Restricted Subsidiaries (a) in exchange for any other Investment or accounts receivable held by UK Holdco or any such Restricted Subsidiary in connection with or as a result of a bankruptcy, workout, reorganization or recapitalization of UK Holdco of such other Investment or accounts receivable, (b) in good faith settlement of delinquent obligations of, and other disputes with, Persons who are not Affiliates or (c) as a result of a foreclosure by UK Holdco or any of the Restricted Subsidiaries with respect to any secured Investment or other transfer of title with respect to any secured Investment or other transfer of title with respect to any secured Investment in default;

Hedging Obligations permitted under Section 7.2(b)(xii);

additional Investments by UK Holdco or any of the Restricted Subsidiaries having an aggregate Fair Market Value, taken together with all other Investments made pursuant to this clause (9) that are at the time outstanding, not to exceed the greater of $250,000,000 and 77% of Consolidated EBITDA as of the most recently ended Reference Period; provided, however, for the avoidance of doubt, that if any Investment pursuant to this clause (9) is made in any Person that is not a Restricted Subsidiary at the date of the making of such Investment and such Person becomes a Restricted Subsidiary after such date, such Investment shall thereafter be deemed to have been made pursuant to clause (1) above and shall cease to have been made pursuant to this clause (9) for so long as such Person continues to be a Restricted Subsidiary;

loans and advances to (or guarantees of Indebtedness of) future, present or former officers, directors, employees and consultants for business related travel expenses (including entertainment expense), moving and relocation expenses, Tax advances, payroll advances and other similar expenses, in each case Incurred in the ordinary course of business or consistent with past practice or to fund such Person’s purchase or other acquisition for value of Equity Interests of UK Holdco or any direct or indirect parent company thereof under compensation plans approved by the Board of Directors of UK Holdco (or any direct or indirect parent company thereof) in good faith;

Investments the payment for which consists of Equity Interests of Holdings (other than Disqualified Stock) or any direct or indirect parent of Holdings, as applicable; provided, however, that such Equity Interests will not increase the amount available for Restricted Payments under Section 7.3(a)(3);
any transaction to the extent it constitutes an Investment that is permitted by and made in accordance with the provisions of Section 6.18 (except transactions described in clauses (b)(ii), (b)(v), (b)(ix)(B), (b)(xxiii) and (b)(xxiv) therein);

Investments consisting of the licensing or contribution of intellectual property pursuant to joint marketing arrangements with other Persons;

guarantees issued in accordance with Section 7.2 and Section 6.9;

Investments consisting of purchases and acquisitions of inventory, supplies, materials and equipment (including without limitation prepayments to suppliers in the ordinary course of business) or purchases of contract rights or licenses or leases of intellectual property, in each case in the ordinary course of business;

any Investment in a Receivables Subsidiary or any Investment by a Receivables Subsidiary in any other Person in connection with a Qualified Receivables Financing, including Investments of funds held in accounts permitted or required by the arrangements governing such Qualified Receivables Financing or any related Indebtedness; provided, however, that any Investment in a Receivables Subsidiary is in the form of a Purchase Money Note, contribution of additional receivables or an equity interest;

Investments resulting from the receipt of non-cash consideration in an Asset Sale received in compliance with Section 7.5 or any disposition of assets not constituting an Asset Sale;

(x) Investments in joint ventures of UK Holdco or any of its Restricted Subsidiaries existing on the Closing Date, (y) additional Investments in joint ventures in an aggregate amount not to exceed the greater of $150,000,000 and 47% of Consolidated EBITDA as of the most recently ended Reference Period at any one time outstanding and (z) additional Investments in Similar Businesses in an aggregate amount not to exceed the greater of $150,000,000 and 47% of Consolidated EBITDA as of the most recently ended Reference Period at any one time outstanding; provided, however, that, for the avoidance of doubt, if any Investment pursuant to this clause (18) is made in any Person that is not a Restricted Subsidiary at the date of the making of such Investment and such Person becomes a Restricted Subsidiary after such date, such Investment shall thereafter be deemed to have been made pursuant to clause (1) above and shall cease to have been made pursuant to this clause (18) for so long as such Person continues to be a Restricted Subsidiary;

Investments of a Restricted Subsidiary acquired after the Closing Date or of an entity merged into or consolidated with a Restricted Subsidiary in a transaction that is not prohibited by Section 7.8 after the Closing Date to the extent that such Investments were not made in contemplation of such acquisition, merger or consolidation and were in existence on the date of such acquisition, merger or consolidation;

advances, loans, rebates and extensions of credit (including the creation of receivables) to suppliers, customers and vendors, and performance guarantees, in each case in the ordinary course of business;

the acquisition of assets or Capital Stock solely in exchange for the issuance of common equity securities of Holdings or a Restricted Subsidiary (or any direct or indirect parent of Holdings);
Investments by Lux Company Borrower in UK Holdco evidenced by each Loan Note Instrument; and

acquisitions by UK Holdco or any Restricted Subsidiary of the majority of the Capital Stock of Persons or of assets constituting a division or business unit of, or all or substantially all of the assets of, a Person (each a “Permitted Acquisition”); provided that (i) no Specified Event of Default has occurred or is continuing at the applicable time of determination, (ii) UK Holdco and its Restricted Subsidiaries will be in compliance with Section 6.19(a) after giving effect to such Permitted Acquisition, (iii) any Person acquired shall become, and any Person acquiring assets shall be, a Restricted Subsidiary (unless designated as an Unrestricted Subsidiary) and (iv) UK Holdco or such Restricted Subsidiary, as applicable, shall take, and shall cause such Person to take, all actions required under Section 6.9 in connection therewith.

“Permitted Liens”: with respect to any Group Member:

1. pledges or deposits by such Person in connection with workmen’s compensation, employment or unemployment insurance and other types of social security legislation, employee source deductions, goods and services Taxes, sales Taxes, municipal Taxes, corporate Taxes and pension fund obligations or good faith deposits, prepayments or cash pledges to secure bids, tenders, contracts (other than for the payment of Indebtedness) or leases, subleases, licenses, sublicenses or similar agreements to which such Person is a party, performance and return of money bonds and other similar obligations incurred in the ordinary course of business, or deposits to secure public or statutory obligations of such Person or deposits of cash or government bonds to secure surety, stay, customs or appeal bonds or statutory bonds to which such Person is a party, or deposits as security for contested Taxes or import duties or for the payment of rent, in each case incurred in the ordinary course of business;

2. Liens imposed by law, such as landlords’, carriers’, warehousemen’s, materialmen’s, repairmen’s, construction contractors’ and mechanics’ and other like Liens, in each case for sums not overdue for a period of more than 30 days (other than with respect to Subsidiaries formed in Germany) 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 if adequate reserves with respect thereto are being maintained in accordance with GAAP (or, in the case of any Foreign Subsidiary, the accounting principles applicable in the relevant jurisdiction);

3. Liens for Taxes, assessments or other governmental charges (i) not overdue for more than 60 days or (ii) which are being contested in good faith by appropriate proceedings if (a) adequate reserves with respect thereto are being maintained on the books of such Person in accordance with GAAP (or, in the case of any Foreign Subsidiary, the accounting principles applicable in the relevant jurisdiction) or (b) they are immaterial to UK Holdco and its Restricted Subsidiaries taken as a whole;

4. Liens in favor of issuers of performance, surety, bid, indemnity, warranty, release, appeal or similar bonds or with respect to other regulatory requirements, or letters of credit or bankers’ acceptances issued, and completion guarantees provided for, in each case pursuant to the request of and for the account of such Person in the ordinary course of its business;

5. survey exceptions, encumbrances, leases, subleases, encroachments, protrusions, easements or reservations of, or rights of others for, sublicenses, licenses, rights-of-way, servitudes, sewers, electric lines, drains, telegraph and telephone and cable television lines, and other similar purposes, or zoning, building codes or other restrictions (including, without limitation, defects or irregularities in title and similar encumbrances) as to the use of real properties or Liens incidental to the conduct of the business of such Person or to the ownership of its properties which were not Incurred in connection with Indebtedness and which, in each case, do not in the aggregate materially impair their use in the operation of the business of such Person taken as a whole;
Liens incurred to secure Other Obligations in respect of Indebtedness or other obligations permitted to be Incurred pursuant to Section 7.2(b)(i), (b)(ii), (b)(iv), (b)(vi) (to the extent contemplated to be secured by the terms thereof), (b)(vii), (b)(xv), (b)(xvi) or (b)(xxii) (to the extent contemplated to be secured by the terms thereof); provided that, (A) in the case of Section 7.2(b)(vii), such Lien extends only to the assets and/or Capital Stock, the acquisition, purchase, lease, construction, design, installation, repair, replacement or improvement of which is financed thereby and any income or profits thereof; provided that individual financings provided by a lender may be cross-collateralized to other financings provided by such lender or its Affiliates, (B) in the case of Section 7.2(b)(vi) such Indebtedness complies with the Applicable Requirements, (C) in the case of Section 7.2(b)(xv), such guarantee may only be subject to Liens to the extent the underlying Indebtedness may be subject to any Liens and (D) in the case of any Liens securing Refinancing Indebtedness Incurred pursuant to Section 7.2(b)(xvi), such Lien relates only to Refinancing Indebtedness that (x) is secured by Liens on all or a portion of the same assets or the same categories or types of assets as the assets (plus improvements, accessions, proceeds or dividends or distributions in respect thereof, or replacements of any thereof) that secured the Indebtedness being refinanced or (y) extends, replaces, refunds, refinances, renews or defeases Indebtedness incurred or Disqualified Stock or Preferred Stock issued under Section 7.2(b)(iii) solely to the extent such Indebtedness was secured by a Lien prior to such refinancing;

Liens (i) securing the Obligations and (ii) existing on the Closing Date (in the case of any Lien securing obligations in excess of $5,000,000, to be set forth on Schedule 1.1E);

Liens on assets, property or shares of stock of a Person at the time such Person becomes a Restricted Subsidiary; provided, however, that such Liens are not created or incurred in connection with, or in contemplation of, such other Person becoming such a Restricted Subsidiary; provided, further, however, that such Liens may not extend to any other property owned by UK Holdco or any Restricted Subsidiary (other than the proceeds or products of such assets, property or shares of stock or improvements thereon or replacements, accessions or additions thereto, it being understood that individual financings of the type permitted under Section 7.2(b)(vii) provided by any lender may be cross-collateralized to other financings of such type provided by such lender or its affiliates);

Liens on assets or on property at the time UK Holdco or any Restricted Subsidiary acquired such assets or property, including any acquisition by means of a merger or consolidation with or into UK Holdco or any Restricted Subsidiary; 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 assets or property owned by UK Holdco or any Restricted Subsidiary (other than the proceeds or products of such assets or property or shares of stock or improvements thereon or replacements, accessions or additions thereto, it being understood that individual financings of the type permitted under Section 7.2(b)(vii) provided by any lender may be cross-collateralized to other financings of such type provided by such lender or its affiliates);

Liens securing Indebtedness or other obligations of UK Holdco or a Restricted Subsidiary owing to UK Holdco or another Restricted Subsidiary permitted to be Incurred pursuant to Section 7.2;

Liens securing Hedging Obligations not entered into for speculative purposes;
(12) Liens on specific items of inventory or other goods and proceeds of any Person securing such Person’s obligations in respect of bankers’ acceptances issued or created for the account of such Person to facilitate the purchase, shipment or storage of such inventory or other goods;

(13) leases, licenses, subleases and sublicenses of assets (including, without limitation, real property and intellectual property rights) in the ordinary course of business which do not materially interfere with the ordinary conduct of the business of UK Holdco or any Restricted Subsidiaries;

(14) Liens arising from UCC financing statement filings (or similar filings in any other jurisdiction) regarding operating leases or consignments entered into by UK Holdco and its Restricted Subsidiaries in the ordinary course of business and precautionary or purported Liens evidenced by the filing of UCC financing statement filings (or similar filings in any other jurisdiction);

(15) Liens in favor of UK Holdco or any Restricted Subsidiary;

(16) 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;

(17) (A) pledges and deposits made in the ordinary course of business to secure liability to insurance carriers, insurance companies and brokers and (B) Liens on insurance policies and the proceeds thereof securing the financing of the premiums with respect thereto;

(18) Liens on the Equity Interests and Indebtedness of, and the assets of, Unrestricted Subsidiaries and joint ventures that are not Restricted Subsidiaries;

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

(20) 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;

(21) 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;

(22) Liens incurred to secure Cash Management Services in the ordinary course of business;

(23) Liens on equipment of UK Holdco or any Restricted Subsidiary granted in the ordinary course of business to UK Holdco’s or such Restricted Subsidiary’s client at which such equipment is located;

(24) Liens to secure any refinancing, refunding, extension, renewal or replacement (or successive refinancings, refundings, extensions, renewals or replacements) as a whole, or in part, of any Indebtedness secured by any Lien referred to in clauses (6), (7), (8), (9), (10), (11) and (15) of this definition of “Permitted Liens;” provided, however, that (x) such new Lien shall be limited to all or part of the same property that secured the original Lien (plus proceeds or products of such property or improvements on such property), and (y) the Indebtedness secured by such Lien at such time is not increased to any amount greater than the sum of (A) the outstanding principal amount or, if greater, committed amount of the Indebtedness described under clauses (6), (7), (8), (9), (10), (11) and (15) of this definition of “Permitted Liens” at the time the original Lien became a Permitted Lien under this Agreement, and (B) an amount necessary to pay accrued and unpaid interest, any fees and expenses, including any premium and defeasance costs, related to such refinancing, refunding, extension, renewal or replacement;
other Liens securing obligations which obligations do not exceed the greater of $250,000,000 and 77% of Consolidated EBITDA as of the most recently ended Reference Period at any one time outstanding; provided that, at the election of the Borrower Representative with respect to any such Liens on Collateral, the holders of such obligations (or a representative thereof) shall be party to an Acceptable Intercreditor Agreement that provides that such obligations are secured on a junior lien basis to the Obligations hereunder;

(reserved);

Liens on receivables and related assets including proceeds thereof being sold in factoring arrangements entered into in the ordinary course of business;

Liens that are contractual rights of set-off (i) relating to the establishment of depository relations with banks not given in connection with the issuance of Indebtedness, (ii) relating to pooled deposit or sweep accounts of UK Holdco or any of its Restricted Subsidiaries to permit satisfaction of overdraft or similar Liens incurred in the ordinary course of business of UK Holdco and its Restricted Subsidiaries or (iii) relating to purchase orders and other agreements entered into with customers of UK Holdco or any of its Restricted Subsidiaries in the ordinary course of business;

Liens encumbering reasonable customary initial deposits and margin deposits and similar Liens attaching to commodity trading accounts or other brokerage accounts incurred in the ordinary course of business and not for speculative purposes;

Liens deemed to exist in connection with Investments in repurchase agreements permitted under Section 7.2; provided that such Liens do not extend to any assets other than those assets that are the subject of such repurchase agreement;

restrictions on dispositions of assets to be disposed of pursuant to merger agreements, stock or asset purchase agreements and similar agreements;

customary options, put and call arrangements, rights of first refusal and similar rights relating to Investments in joint ventures, partnerships and similar investment vehicles;

any amounts held by a trustee in the funds and accounts under an indenture securing any revenue bonds issued for the benefit of UK Holdco or any of its Restricted Subsidiaries;

Liens (i) in favor of customs and revenue authorities arising as a matter of law to secure payment of customs duties in connection with the importation of goods in the ordinary course of business or (ii) on specific items of inventory or other goods and proceeds of any Person securing such Person’s obligations in respect of bankers’ acceptance or letters of credit issued or created for the account of such Person to facilitate the purchase, shipment or storage of such inventory or other goods in the ordinary course of business;

Liens not given in connection with the issuance of Indebtedness for borrowed money (i) of a collection bank arising under Section 4-210 of the UCC (or similar provisions in any other jurisdiction) on items in the course of collection; (ii) attaching to a commodity trading account in the ordinary course of business; and (iii) in favor of a banking or other financial institution arising as a matter of law or under customary general terms and conditions encumbering deposits or other funds maintained with a financial institution (including the right of set-off) and which are within the general parameters customary in the banking industry (including, without limitation, any Lien arising by entering into standard banking arrangements (AGB-Banken oder AGB-Sparkassen) in Germany);
(36)  (i) Liens solely on any cash earnest money deposits made in connection with any letter of intent or purchase agreement in connection with an Investment permitted hereunder and (ii) Liens on advances of cash or Cash Equivalents in favor of the seller of any property to be acquired in an Investment permitted hereunder to be applied against the purchase price for such Investment;

(37)  customary Liens on deposits required in connection with the purchase of property, equipment and inventory, in each case incurred in the ordinary course of business;

(38)  Liens on cash, Cash Equivalents or other property arising in connection with the defeasance, discharge, repayment or redemption of Indebtedness; provided that such defeasance, discharge, repayment or redemption is permitted hereunder;

(39)  Liens on property or assets under construction (and related rights) in favor of a contractor or developer or arising from progress or partial payments by a third party relating to such property or assets;

(40)  Liens given to a public utility or any municipality or governmental authority when required by such utility or authority in connection with the operations of UK Holdco or a Restricted Subsidiary thereof in the ordinary course of business; provided that such Liens do not materially interfere with the operations of UK Holdco and its Restricted Subsidiaries, taken as a whole;

(41)  Liens on assets or Equity Interests of Non-Guarantor Subsidiaries, provided such Liens secure obligations of Non-Guarantor Subsidiaries that are otherwise permitted hereunder and such Liens only encumber assets or Equity Interests of such Non-Guarantor Subsidiaries;

(42)  Liens arising out of or deemed to exist in connection with any financing transaction of the type described in clause (m) of the definition of “Asset Sale;”

(43)  (i) pledges, deposits or Liens arising as a matter of law in the ordinary course of business in connection with workers’ compensation schemes, payroll Taxes, unemployment insurance and other social security legislation and (ii) pledges and deposits in the ordinary course of business securing liability for reimbursement or indemnification obligations of (including obligations in respect of letters of credit or bank guarantees for the benefit of) insurance carriers providing property, casualty or liability insurance to UK Holdco or any Restricted Subsidiary (including, without limitation, any Liens Incurred pursuant to Section 8a of the German Old Age Employees Part Time Act (Altersteilzeitgesetz) or Section 7e of the Fourth Book of the German Social Code (Sozialgesetzbuch IV)); and

(44)  Liens on assets not constituting Collateral securing obligations in an aggregate amount not to exceed the greater of $10,000,000 and 3% of Consolidated EBITDA as of the most recently ended Reference Period.

For purposes of this definition, the term “Indebtedness” shall be deemed to include interest on such Indebtedness.

“Permitted Refinancing Requirements”: with respect to any Indebtedness incurred by any Borrower or Subsidiary Guarantor to Refinance, in whole or part, any other Indebtedness (such other Indebtedness, “Refinanced Debt”):
(a) with respect to all such Indebtedness:

(i) the other terms and conditions of such Indebtedness (excluding pricing, fees, rate floors and optional prepayment or redemption terms) are not materially more restrictive on the Group Members than those applicable to the Refinanced Debt (except for (x) financial covenants or other covenants or provisions applicable only to periods after the Latest Maturity Date at the time of such Refinancing, as may be agreed by the Borrower Representative and the providers of such Indebtedness, (y) then-prevailing market terms for the applicable type of Indebtedness (as determined by the Borrower Representative in good faith); provided that if such Indebtedness includes a financial covenant that is more restrictive than Section 7.1 of this Agreement, such financial covenant shall be either (A) conformed (or added) to the Loan Documents for the benefit of the Revolving Lenders pursuant to an amendment agreement between the Administrative Agent and the applicable Borrowers or (B) applicable only to periods after the Revolving Termination Date or otherwise reasonably satisfactory to the Administrative Agent or (z) terms that are conformed (or added) to the Loan Documents for the benefit of the applicable Lender pursuant to an amendment between the Administrative Agent and the applicable Borrowers);

(ii) if such Indebtedness is guaranteed, it is not guaranteed by any Restricted Subsidiary other than a Loan Party; and

(iii) the proceeds of such Indebtedness are applied, substantially concurrently with the incurrence thereof, to the prepayment (or satisfaction and discharge) of the outstanding amount (and, if such Indebtedness constitutes Refinancing Revolving Debt, reductions of the Revolving Commitments) of the Refinanced Debt in accordance with its terms;

(b) if such Indebtedness constitutes Refinancing Revolving Debt, such Indebtedness does not mature (or require commitment reductions or amortization) prior to the final stated maturity date of the Refinanced Debt;

(c) if such Indebtedness constitutes Refinancing Term Debt (other than Customary Bridge Financing):

(i) in the case of Refinancing Term Debt, other than Refinancing Term Debt incurred pursuant to the Inside Maturity Basket, such Indebtedness (A) does not mature prior to the maturity date of the Refinanced Debt and (B) does not have a Weighted Average Life to Maturity shorter than the remaining Weighted Average Life to Maturity of the Refinanced Debt determined at the time of incurrence; and

(ii) [reserved]; and

(d) if such Indebtedness is secured:

(i) such Indebtedness is not secured by any assets other than the Collateral (it being understood that such Indebtedness shall not be required to be secured by all of the Collateral); provided that Indebtedness that may be incurred by Non-Guarantor Subsidiaries pursuant to Section 7.2 may be secured by assets of Non-Guarantor Subsidiaries; and

(ii) to the extent secured by Collateral, a Senior Representative acting on behalf of the providers of such Indebtedness shall have become party to an Acceptable Intercreditor Agreement (or, if applicable, the Initial Intercreditor Agreement shall have been amended or replaced in a manner reasonably acceptable to the Administrative Agent), which results in such Senior Representative having rights to share in the Collateral as provided in the definition of Permitted First Priority Refinancing Debt, in the case of a First Priority Refinancing Revolving Facility or a First Priority Refinancing Term Facility, or in the definition of Permitted Second Priority Refinancing Debt, in the case of a Second Priority Refinancing Revolving Facility or a Second Priority Refinancing Term Facility.
“Permitted Second Priority Refinancing Debt”: any secured Indebtedness incurred by any Borrower or Subsidiary Guarantor in the form of one or more series of second lien secured notes or second lien secured term loans (each, a “Second Priority Refinancing Term Facility”) or one or more revolving credit facilities (each, a “Second Priority Refinancing Revolving Facility”); provided that (i) such Indebtedness is secured by the Collateral on a second lien, subordinated basis (with respect to liens only) to the Obligations and the obligations in respect of any Permitted First Priority Refinancing Debt, (ii) such Indebtedness constitutes Permitted Credit Agreement Refinancing Debt in respect of Term Loans (including portions of Classes of Term Loans, Other Term Loans or Incremental Term Loans) or outstanding Revolving Loans and (iii) such Indebtedness complies with the Permitted Refinancing Requirements; provided that an Officer’s Certificate signed on behalf of the Borrower Representative delivered to the Administrative Agent at least five Business Days (or such shorter period acceptable to the Administrative Agent) prior to the incurrence of such Indebtedness, together with a reasonably detailed description of the material terms and conditions of such Indebtedness or drafts of the documentation relating thereto, stating that the Borrower Representative has determined in good faith that such terms and conditions satisfy the requirement of this definition shall be conclusive evidence that such terms and conditions satisfy such requirement unless the Administrative Agent notifies the Borrower Representative within such five Business Day period that it disagrees (including a reasonable description of the basis upon which it disagrees)). Permitted Second Priority Refinancing Debt will include any Registered Equivalent Notes issued in exchange therefor.

“Permitted Tax Distributions”: payments made pursuant to Section 7.3(b)(xii).

“Permitted Unsecured Refinancing Debt”: any unsecured Indebtedness incurred by any Borrower or Subsidiary Guarantor in the form of one or more series of senior unsecured notes or term loans (each, an “Unsecured Refinancing Term Facility”) or one or more revolving credit facilities (each, an “Unsecured Refinancing Revolving Facility”); provided that (i) such Indebtedness constitutes Permitted Credit Agreement Refinancing Debt in respect of Term Loans (including portions of Classes of Term Loans, Other Term Loans or Incremental Term Loans) or outstanding Revolving Loans and (ii) such Indebtedness complies with the Permitted Refinancing Requirements; provided that an Officer’s Certificate signed on behalf of the Borrower Representative delivered to the Administrative Agent at least five Business Days (or such shorter period acceptable to the Administrative Agent) prior to the incurrence of such Indebtedness, together with a reasonably detailed description of the material terms and conditions of such Indebtedness or drafts of the documentation relating thereto, stating that the Borrower Representative has determined in good faith that such terms and conditions satisfy the requirement of this definition shall be conclusive evidence that such terms and conditions satisfy such requirement unless the Administrative Agent notifies the Borrower Representative within such five Business Day period that it disagrees (including a reasonable description of the basis upon which it disagrees)). Permitted Unsecured Refinancing Debt will include any Registered Equivalent Notes issued in exchange therefor.

“Person”: any natural person, corporation, limited partnership, exempted limited partnership, exempted company, general partnership, limited liability company, limited liability partnership, joint venture, association, joint stock company, trust, bank trust company, land trust, business trust, unincorporated organization, government or any agency or political subdivision thereof or any other entity whether legal or not.
“Plan”: at a particular time, any employee benefit plan that is subject to Title IV of ERISA and in respect of which Holdings or a Commonly Controlled Entity is (or, if such plan were terminated at such time, would under Section 4069 of ERISA be deemed to be) an “employer” as defined in Section 3(5) of ERISA.

“Platform”: as defined in Section 6.2(a).

“Preferred Stock”: any Equity Interest with preferential right of payment of dividends or redemptions upon liquidation, dissolution, or winding up.

“Previously Designated Unrestricted Subsidiary”: as defined in Section 6.12.

“Prime Rate”: the rate set by the Administrative Agent based upon various factors including the Administrative Agent’s costs and desired return, general economic conditions and other factors, and is used as a reference point for pricing some loans, which may be priced at, above, or below such announced rate. Any change in such prime rate announced by the Administrative Agent shall take effect at the opening of business on the day specified in the public announcement of such change.

“Private Lender Information”: any information and documentation that is not Public Lender Information.

“Pro Forma Basis”: with respect to any Reference Period (i) if, during such Reference Period (or after such Reference Period and prior to the date of determination), UK Holdco or anyRestricted Subsidiary shall have made any Disposition (or discontinued any operations) of at least a division of a business unit, the Consolidated EBITDA for such Reference Period shall be reduced by an amount equal to the Consolidated EBITDA (if positive) attributable to the property that is the subject of such Disposition or discontinuation for such Reference Period or increased by an amount equal to the Consolidated EBITDA (if negative) attributable thereto for such Reference Period (for the avoidance of doubt, including (without duplication) pro forma adjustments, if any, to the extent set forth in the definition of Consolidated EBITDA);

(ii) if, during such Reference Period (or after such Reference Period and prior to the date of determination), UK Holdco or any Restricted Subsidiary shall have made an Investment or acquisition of assets, in each case constituting at least a division of a business unit of, or all or substantially all of the assets of, any Person (whether by way of merger, asset acquisition, acquisition of Capital Stock or otherwise), Consolidated EBITDA for such Reference Period shall be calculated after giving pro forma effect thereto as if such Investment or acquisition occurred on the first day of such Reference Period (for the avoidance of doubt, including (without duplication) pro forma adjustments, if any, to the extent set forth in the definition of Consolidated EBITDA);

(iii) if, during such Reference Period (or after such Reference Period and prior to the date of determination), the Borrower Representative shall have designated any Restricted Subsidiary as an Unrestricted Subsidiary, or designated any Unrestricted Subsidiary as a Restricted Subsidiary, Consolidated EBITDA and the Interest Coverage Ratio for such Reference Period shall be calculated after giving pro forma effect thereto as if such designation occurred on the first day of such Reference Period;

(iv) if, during such Reference Period (or after such Reference Period and prior to the date of determination), UK Holdco or any Restricted Subsidiary shall have Incurred or shall have repaid, retired or extinguished any Indebtedness (other than Indebtedness under any revolving credit facility unless such Indebtedness has been permanently repaid, retired or extinguished (and the commitments thereunder terminated) and not replaced), or issued or redeemed any Disqualified Stock or Preferred Stock, then the Interest Coverage Ratio shall be calculated giving pro forma effect to such Incurrence, repayment, retirement, extinguishment, issuance or redemption, as if the same had occurred on the first day of the applicable Reference Period;
(v) if, after such Reference Period and prior to the date of determination, UK Holdco or any Restricted Subsidiary shall have Incurred or shall have repaid, retired or extinguished any Indebtedness (other than Indebtedness under any revolving credit facility unless such Indebtedness has been permanently repaid, retired or extinguished (and the commitments thereunder terminated) and not replaced), or issued or redeemed any Disqualified Stock or Preferred Stock, then the First Lien Net Leverage Ratio, the Secured Net Leverage Ratio and the Total Net Leverage Ratio shall be calculated giving pro forma effect to such Incurrence, repayment, retirement, extinguishment, issuance or redemption, as if the same had occurred on the last day of such Reference Period; and

(vi) if, during such Reference Period (or after such Reference Period and prior to the date of determination), UK Holdco or any Restricted Subsidiary shall have initiated any Cost Saving Initiative, the applicable Expected Cost Savings shall be calculated on a pro forma basis as though such Expected Cost Savings had been realized on the first day of such Reference Period and as if such Expected Cost Savings were realized in full during the entirety of such Reference Period;

provided that, solely for purposes of calculating (x) quarterly compliance with Section 7.1 and (y) the First Lien Net Leverage Ratio for purposes of the definitions of “Applicable Margin” and “Commitment Fee Rate”, in each case, the date of the required calculation shall be the last day of the Reference Period, and no transaction occurring after the end of the Reference Period shall be taken into account in determining any such calculation made on a Pro Forma Basis.

For purposes of this Agreement, 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 Borrower Representative. Any such pro forma calculation shall include, without duplication, adjustments appropriate to reflect cost savings, operating expense reductions, restructuring charges and expenses and synergies reasonably expected to result from the applicable event to the extent set forth in the definition of “Consolidated EBITDA”.

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 applicable calculation date had been the applicable rate for the entire period (taking into account any Hedging Obligations applicable to such Indebtedness).

The term “Disposition” in this definition shall not include dispositions of inventory and other ordinary course dispositions of property.

“Properties”: as defined in Section 4.13(a).
“Pro Rata Share”: with respect to (i) any Revolving Facility, and each Revolving Lender’s share of such Revolving Facility, at any time a fraction (expressed as a percentage), the numerator of which is the amount of the Revolving Commitments of such Revolving Lender under such Revolving Facility at such time and the denominator of which is the amount of the aggregate Revolving Commitments under such Revolving Facility at such time; provided that if such Revolving Commitments have been terminated, then the Pro Rata Share of each Revolving Lender shall be determined based on the Pro Rata Share of such Revolving Lender under such Revolving Facility immediately prior to such termination and after giving effect to any subsequent assignments made pursuant to the terms hereof, (ii) any Term Facility, and each Term Lender and such Term Lender’s share of all Term Commitments or Term Loans under such Term Facility, at any time a fraction (expressed as a percentage), the numerator of which is the amount of the Term Commitments of such Term Lender under such Term Facility at such time and the denominator of which is the amount of the aggregate Term Commitments under such Term Facility at such time; provided that if any Term Loans are outstanding under such Term Facility, then the Pro Rata Share of each Term Lender shall be a fraction (expressed as a percentage), the numerator of which is the amount of the Term Loans of such Term Lender under such Term Facility at such time and the denominator of which is the amount of the aggregate Term Loans at such time; provided, further, that if all Term Loans under such Term Facility have been repaid, then the Pro Rata Share of each Term Lender under such Term Facility shall be determined based on the Pro Rata Share of such Term Lender under such Term Facility immediately prior to such repayment, and (iii) with respect to each Lender and all Loans and Outstanding Amounts at any time a fraction (expressed as a percentage), the numerator of which is the Outstanding Amount with respect to Loans and Commitments of such Lender at such time (plus such Lender’s obligation to purchase participations in undrawn Letters of Credit) and the denominator of which is the Outstanding Amount (in aggregate) plus the amount of all Lenders’ obligations to purchase participations in undrawn Letters of Credit at such time; provided that if all Outstanding Amounts have been repaid or terminated, then the Pro Rata Share of each Lender shall be determined based on the Pro Rata Share of such Lender immediately prior to such termination and after giving effect to any subsequent assignments made pursuant to the terms hereof.

“PTE” means a prohibited transaction class exemption issued by the U.S. Department of Labor, as any such exemption may be amended from time to time.

“Public Lender”: as defined in Section 6.2(a).

“Public Lender Information”: information and documentation that is either exclusively (i) of a type that would be publicly available if Holdings and its respective Subsidiaries were public reporting companies or (ii) not material or inside information with respect to Holdings and its respective Subsidiaries or any of their respective securities for purposes of foreign, United States Federal and state securities laws.

“Purchase”: as defined in the definition of “Dutch Auction.”

“Purchase Money Note”: a promissory note of a Receivables Subsidiary evidencing a line of credit, which may be irrevocable, from UK Holdco or any of its Subsidiaries to a Receivables Subsidiary in connection with a Qualified Receivables Financing, which note is intended to finance that portion of the purchase price that is not paid by cash or a contribution of equity.

“Purchase Notice”: as defined in the definition of “Dutch Auction.”

“Purchaser”: as defined in the definition of “Dutch Auction.”

“QFC”: has the meaning assigned to the term “qualified financial contract” in, and shall be interpreted in accordance with, 12 U.S.C. 5390(c)(8) (D).
“Qualified Counterparty”: (i) in the case of a Specified Swap Agreement that is an Existing Swap Agreement, any counterparty thereto, (ii) in the case of a Specified Swap Agreement that is in effect on the Closing Date, the Administrative Agent, a Joint Lead Arranger, a Lender or an Affiliate of the foregoing, in its capacity as a counterparty to such Specified Swap Agreement, (iii) in the case of a Specified Swap Agreement entered into after the Closing Date, the Administrative Agent, a Joint Lead Arranger, an Incremental Facility Arranger, a Lender or an Affiliate of the foregoing, in each case at the time of entry into such agreement, in its capacity as a counterparty to such Specified Swap Agreement and (iv) any other Person from time to time designated in writing by the Borrower Representative with the consent of the Administrative Agent (not to be unreasonably withheld, delayed or conditioned) and that has appointed the Collateral Agent as its collateral agent in a manner reasonably acceptable to the Collateral Agent; provided that none of the Administrative Agent, a Joint Lead Arranger, an Incremental Facility Arranger, a Lender or an Affiliate of the foregoing described in the preceding clauses (ii) and (iii) shall cease to be Qualified Counterparties by reason of ceasing to be the Administrative Agent, a Joint Lead Arranger, an Incremental Facility Arranger, a Lender or an Affiliate of the foregoing, as applicable.

“Qualified ECP Guarantor”: in respect of any Swap Obligation, any Loan Party that has total assets exceeding $10,000,000 (or total assets exceeding such other amount so that such Loan Party is an “eligible contract participant” as defined in the Commodity Exchange Act) at the time such Swap Obligation is incurred.

“Qualified Equity Interests”: any Capital Stock that is not a Disqualified Stock.

“Qualified Receivables Financing”: any Receivables Financing of a Receivables Subsidiary that meets the following conditions: (1) the Borrower Representative 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 Borrower Representative and the Receivables Subsidiary, (2) all sales of accounts receivable and related assets to the Receivables Subsidiary are made at Fair Market Value (as determined in good faith by the Borrower Representative), and (3) the financing terms, covenants, termination events and other provisions thereof shall be market terms at the time the receivables financing is first introduced (as determined in good faith by the Borrower Representative and it being understood that such terms, covenants, termination events and other provisions may subsequently be modified so long as such modifications are on market terms at the time of any such modification) and may include Standard Securitization Undertakings. The grant of a security interest in any accounts receivable of UK Holdco or any Restricted Subsidiary (other than a Receivables Subsidiary) to secure any Indebtedness shall not be deemed a Qualified Receivables Financing.

“Qualified Reporting Subsidiary” as defined in Section 6.1.

“Rate Determination Date” means two (2) Business Days prior to the commencement of the applicable Interest Period (or such other day as is generally treated as the rate fixing day by market practice in the applicable interbank market, as determined by the Administrative Agent (in consultation with the Borrower Representative); provided that to the extent such market practice is not administratively feasible for the Administrative Agent, the Rate Determination Date shall be such other day as is reasonably determined by the Administrative Agent (in consultation with the Borrower Representative).

“Rating Agency”: S&P, Moody’s or any other nationally recognized rating agency selected by the Borrower Representative and approved by the Administrative Agent in writing.

“Ratio Debt”: as defined in Section 7.2(a).

“Realizable Assets”: as defined in Section 8.12(d).

“Recalculation”: as defined in Section 3.10(a).
“Receivables Fees”: distributions or payments made directly or by means of discounts with respect to any participation interest issued or sold in connection with, and other fees paid to a Person that is not a Restricted Subsidiary in connection with, any Receivables Financing.

“Receivables Financing”: any transaction or series of transactions that may be entered into by UK Holdco or any Subsidiary of UK Holdco pursuant to which UK Holdco or any of its Subsidiaries may sell, convey or otherwise transfer to (a) a Receivables Subsidiary (in the case of a transfer by UK Holdco or any of its Subsidiaries), and (b) any other Person (in the case of a transfer by a Receivables Subsidiary), or may grant a security interest in, any accounts receivable (whether now existing or arising in the future) of UK Holdco or any of its Subsidiaries, and any assets related thereto including, without limitation, all collateral securing such accounts receivable, all contracts and all guarantees or other obligations in respect of such accounts receivable, proceeds of such accounts receivable and other assets which are customarily transferred or in respect of which security interests are customarily granted in connection with asset securitization transactions involving accounts receivable and any Hedging Obligations entered into by UK Holdco or any such Subsidiary in connection with such accounts receivable.

“Receivables Repurchase Obligation”: any obligation of a seller of receivables in a Qualified Receivables Financing to repurchase receivables arising as a result of a breach of a representation, warranty or covenant or otherwise, including as a result of a receivable or portion thereof becoming subject to any asserted defense, dispute, off-set or counterclaim of any kind as a result of any action taken by, any failure to take action by or any other event relating to the seller.

“Receivables Subsidiary”: a Wholly Owned Restricted Subsidiary of UK Holdco (or another Person formed for the purposes of engaging in a Qualified Receivables Financing with UK Holdco in which UK Holdco or any Subsidiary of UK Holdco makes an Investment and to which UK Holdco or any Subsidiary of UK Holdco transfers accounts receivable and related assets) which engages in no activities other than in connection with the financing of accounts receivable of UK Holdco 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 which is designated by the Borrower Representative as a Receivables Subsidiary and:

(a) no portion of the Indebtedness or any other obligations (contingent or otherwise) of which (i) is guaranteed by UK Holdco or any other Restricted Subsidiary of UK Holdco (excluding guarantees of obligations (other than the principal of, and interest on, Indebtedness) pursuant to Standard Securitization Undertakings), (ii) is recourse to or obligates UK Holdco or any other Restricted Subsidiary of UK Holdco in any way other than pursuant to Standard Securitization Undertakings, or (iii) subjects any property or asset of UK Holdco or any other Restricted Subsidiary of UK Holdco, directly or indirectly, contingently or otherwise, to the satisfaction thereof, other than pursuant to Standard Securitization Undertakings,

(b) with which neither UK Holdco nor any other Restricted Subsidiary of UK Holdco has any material contract, agreement, arrangement or understanding other than on terms which UK Holdco reasonably believe to be no less favorable to UK Holdco or such Restricted Subsidiary than those that might be obtained at the time from Persons that are not Affiliates of UK Holdco, and

(c) to which neither UK Holdco nor any other Restricted Subsidiary of UK Holdco 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 Borrower Representative shall be evidenced to the Administrative Agent by delivering to the Administrative Agent an Officer’s Certificate signed on behalf of the Borrower Representative certifying that such designation complied with the foregoing conditions.

“Receiver”: any receiver and manager or administrative receiver (or an equivalent officer in any jurisdiction) of the whole or any part of the Collateral.

“Reclassifyable Item”: as defined in Section 1.9(c).

“Recovery Event”: any settlement of or payment in respect of any property or casualty insurance claim or any condemnation, eminent domain or similar proceeding relating to any asset of any Group Member.

“Reference Period”: (a) for purposes of determining actual compliance with Section 7.1, the period beginning on the first day of the most recently completed period of four consecutive fiscal quarters for which the financial statements and certificates required by Section 6.1(a) or (b), as the case may be, have been or were required to have been delivered and ending on the last day of such four consecutive fiscal quarter period and (b) for any other purpose, the period beginning on the first day of the most recently completed period of four consecutive fiscal quarters for which the financial statements and certificates required by Section 6.1(a) or (b), as the case may be, have been or were required to have been delivered or, if earlier, are internally available and, in each case, ending on the last day of such four consecutive fiscal quarter period; it being understood and agreed that prior to the first delivery (or required delivery) of financial statements under Section 6.1(a) or (b), as the case may be, “Reference Period” means the period of four consecutive fiscal quarters most recently ended for which financial statements are available.

“Refinance”: in respect of any Indebtedness, to refinance, discharge, redeem, replace, defease, refund, extend, renew or repay any Indebtedness with the proceeds of other Indebtedness, or to issue other Indebtedness, in exchange or replacement for, such Indebtedness in whole or in part; “Refinanced” and “Refinancing” shall have correlative meanings.

“Refinanced Credit Agreement Debt”: as defined in the definition of “Permitted Credit Agreement Refinancing Debt.”

“Refinanced Debt”: as defined in the definition of “Permitted Refinancing Requirements.”

“Refinancing Amendment”: an amendment to this Agreement executed by each of (a) the Borrower Representative and any applicable Borrower, (b) the Administrative Agent and (c) each Additional Lender and Lender that agrees to provide any portion of the Permitted Credit Agreement Refinancing Debt being incurred pursuant thereto, in accordance with Section 2.26.

“Refinancing Arranger”: any Person (who may be the Administrative Agent, if it so agrees) that is not an Affiliate of any Borrower appointed by the Borrower Representative, after consultation with the Administrative Agent, as the arranger of any Permitted Credit Agreement Refinancing Debt.

“Refinancing Revolving Debt”: any First Priority Refinancing Revolving Facility, Second Priority Refinancing Revolving Facility or Unsecured Refinancing Revolving Facility.

“Refinancing Term Debt”: Indebtedness under any First Priority Refinancing Term Facility, Second Priority Refinancing Term Facility or Unsecured Refinancing Term Facility.
“Refunding Capital Stock”: as defined in Section 7.3(b)(ii).

“Register”: as defined in Section 11.6(b)(vi).

“Registered Equivalent Notes”: with respect to any notes originally issued in a Rule 144A or other private placement transaction under the Securities Act of 1933 (or pursuant to similar rules in any jurisdiction outside of the United States), substantially identical notes (having the same Guarantees) issued in a dollar-for-dollar exchange therefor pursuant to an exchange offer registered with the SEC (or any securities regulator outside of the United States).

“Regulated Bank”: an Approved Commercial Bank that is (i) a U.S. depository institution the deposits of which are insured by the Federal Deposit Insurance Corporation; (ii) a corporation organized under section 25A of the U.S. Federal Reserve Act of 1913; (iii) a branch, agency or commercial lending company of a foreign bank operating pursuant to approval by and under the supervision of the Board under 12 CFR part 211; (iv) a non-U.S. branch of a foreign bank managed and controlled by a U.S. branch referred to in clause (iii); or (v) any other U.S. or non-U.S. depository institution or any branch, agency or similar office thereof supervised by a bank regulatory authority in any jurisdiction.

“Regulation U”: Regulation U of the Board as from time to time in effect and all official rulings and interpretations thereunder or thereof.

“Regulation X”: Regulation X of the Board as from time to time in effect and all official rulings and interpretations thereunder or thereof.

“Reimbursement Obligation”: the obligation of the Revolving Borrowers or the Borrower Representative (on behalf of any Revolving Borrower) to reimburse the Issuing Lenders pursuant to Section 3.5 for amounts drawn under Letters of Credit.

“Reinvestment Deferred Amount”: with respect to any Reinvestment Event, the aggregate Net Cash Proceeds received by any Loan Party in connection therewith that are subject to prepayment in accordance with Section 2.11(c) but not applied to prepay the Term Loans pursuant to Section 2.11(c) as a result of the determination by the Borrower Representative to reinvest such Net Cash Proceeds.

“Reinvestment Event”: as defined in Section 2.11(c).

“Reinvestment Prepayment Amount”: with respect to any Reinvestment Event, the Reinvestment Deferred Amount relating thereto less any amount expended prior to the relevant Reinvestment Prepayment Date to acquire, replace, reconstruct or repair assets useful in the business of UK Holdco and the Restricted Subsidiaries or in connection with a Permitted Acquisition or other Investment permitted hereunder.

“Reinvestment Prepayment Date”: with respect to any Reinvestment Event, the earlier of (a) the date occurring 450 days after such Reinvestment Event (or, if later, 180 days after the date UK Holdco or a Restricted Subsidiary has entered into a binding commitment to reinvest the Net Cash Proceeds of such Reinvestment Event prior to the expiration of such 450 day period) and (b) the date on which the Borrower Representative shall have notified the Administrative Agent in writing that it has determined not to acquire, replace, reconstruct or repair assets useful in the business of UK Holdco and the Restricted Subsidiaries or in connection with a Permitted Acquisition or other Investment permitted hereunder.
“Related Business Assets”: assets (other than cash or Cash Equivalents) used or useful in a Similar Business; provided that any assets received by UK Holdco or a Restricted Subsidiary in exchange for assets transferred by UK Holdco or a Restricted Subsidiary will not be deemed to be Related Business Assets if they consist of securities of a Person, unless upon receipt of the securities of such Person, such Person would become a Restricted Subsidiary.

“Related Parties”: with respect to any Person, such Person’s Affiliates and the partners, directors, officers, employees, agents and advisors of such Person and of such Person’s Affiliates.

“Relevant Governmental Body”: the Federal Reserve Board and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York for the purpose of recommending a benchmark rate to replace LIBOR in loan agreements similar to this Agreement.

“Relevant Jurisdiction”: in relation to a Loan Party:

(a) the jurisdiction under whose laws that Loan Party is incorporated or organized as at the Closing Date or as at the date on which that Loan Party becomes party to this Agreement (as the case may be);

(b) any jurisdiction where it conducts its business; and

(c) any jurisdiction where any asset subject to or intended to be subject to the Liens to be created by it is situated.

“Reply Amount”: as defined in the definition of “Dutch Auction.”

“Reportable Event”: any of the events set forth in Section 4043(c) of ERISA, other than those events as to which the thirty day notice period is waived under subsections .27, .28, .29, .30, .31, .32, .34 or .35 of PBGC Reg. § 4043.

“Repricing Indebtedness”: as defined in the definition of “Repricing Transaction.”

“Repricing Premium”: as defined in Section 2.10(b).

“Repricing Transaction”: other than in the context of a transaction involving a Change of Control, the financing of any Significant Acquisition or any Transformative Disposition (i) the repayment, prepayment, refinancing, substitution or replacement of all or a portion of the Initial Term Loans with the incurrence of any broadly syndicated pari passu secured term loan “B” credit facility denominated in the same currency (“Repricing Indebtedness”) having an Effective Yield that is less than the Effective Yield of the Initial Term Loans and (ii) any amendment, waiver, consent or modification to this Agreement that would reduce the Effective Yield of the Initial Term Loans; provided that the primary purpose (as determined by the Borrower Representative in good faith) of such repayment, prepayment, refinancing, substitution, replacement, amendment, waiver, consent or modification was to reduce the Effective Yield of the Initial Term Loans.

“Required Lenders”: at any time, non-Defaulting Lenders holding more than 50% of (a) until the Closing Date, the Commitments then in effect and (b) thereafter, the sum of (i) the aggregate Outstanding Amount of all Term Loans at such time, (ii) the Total Incremental Term Commitments then in effect and (iii) the Total Revolving Commitments then in effect or, if the Revolving Commitments have been terminated, the Total Revolving Extensions of Credit at such time.
“Requirement of Law”: as to any Person, any law, treaty, rule or regulation or determination of an arbitrator or a court or other Governmental Authority, in each case applicable to or binding upon such Person or any of its property or to which such Person or any of its property is subject.

“Responsible Officer”: the chief executive officer, representative, director, manager, president, vice president, executive vice president, chief financial officer, treasurer or assistant treasurer, secretary or assistant secretary, an authorized signatory, an attorney-in-fact (to the extent empowered by the board of directors/managers of Holdings, UK Holdco or the Borrower Representative), or other similar officer of a Loan Party (or of its general partner, managing member or sole member, if applicable) of the applicable Loan Party, but in any event, with respect to financial matters, the chief financial officer, treasurer, controller or comptroller (or other officer or director with equivalent duties), and solely for purposes of notices given pursuant to Section 2, any officer or employee of the applicable Loan Party so designated by any of the foregoing officers in a notice to the Administrative Agent or any other officer or employee of the applicable Loan Party designated in or pursuant to an agreement between the applicable Loan Party and the Administrative Agent.

“Restricted”: when referring to cash or Cash Equivalents of UK Holdco and the Restricted Subsidiaries, means that such cash or Cash Equivalents appear (or would be required to appear) as “restricted” on the consolidated balance sheet of UK Holdco.

“Restricted Debt Payments”: as defined in Section 7.3(a)(iii).

“Restricted Investment”: as defined in Section 7.3(a)(iv).

“Restricted Payments”: as defined in Section 7.3(a)(iv). The amount of any Restricted Payment (other than in cash), other than any Restricted Investment, shall be the Fair Market Value on the applicable date of determination of the assets or securities proposed to be transferred or issued pursuant to such Restricted Payment.

“Restricted Subsidiary”: any Subsidiary of UK Holdco other than any Unrestricted Subsidiary; provided, however, that upon a Subsidiary ceasing to be an Unrestricted Subsidiary, such Subsidiary shall be included in the definition of “Restricted Subsidiary”.

“Retained Declined Proceeds”: as defined in Section 2.11(f).

“Retired Capital Stock”: as defined in Section 7.3(b)(ii).

“Return Bid”: as defined in Section 7.3(b)(ii).

“Return Bid”: as defined in the definition of “Dutch Auction.”

“Revolving Borrower”: as defined in the recitals hereto.

“Revolving Borrowing”: as defined in the recitals hereto.

“Revolving Borrowing”: a borrowing consisting of simultaneous Revolving Loans of the same Type and, in the case of Eurocurrency Loans, having the same Interest Period made by each of the Revolving Lenders.

“Revolving Commitment”: as to any Lender, the obligation of such Lender, if any, to make Revolving Loans and participate in Swingline Loans and Letters of Credit in an aggregate principal and/or face amount not to exceed the amount set forth under the heading “Revolving Commitment” opposite such Lender’s name on Schedule 1A-1 or in the Assignment and Assumption, Refinancing Amendment or Incremental Amendment pursuant to which such Lender became a party hereto, as applicable, as the same may be changed from time to time pursuant to the terms hereof. The original amount of the Total Revolving Commitments is the Dollar Amount of $250,000,000.
“Revolving Commitment Increase”: as defined in Section 2.25(a).

“Revolving Commitment Increase Lender”: as defined in Section 2.25(d).

“Revolving Commitment Period”: the period from and including the Closing Date to but excluding the Revolving Termination Date.

“Revolving Excess”: as defined in Section 2.11(e).

“Revolving Extensions of Credit”: as to any Revolving Lender at any time to an amount equal to the sum of (a) the aggregate Outstanding Amount of all Revolving Loans held by such Lender at such time, (b) such Lender’s Revolving Percentage of the aggregate Outstanding Amount of all L/C Obligations at such time and (c) such Lender’s Revolving Percentage of the aggregate Outstanding Amount of all Swingline Loans at such time.

“Revolving Facility”: any Class of Revolving Commitments and the extensions of credit made thereunder, as the context may require.

“Revolving Lender”: each Lender that has a Revolving Commitment or that holds Revolving Loans.

“Revolving Loan Note”: a promissory note substantially in the form of Exhibit F-1.

“Revolving Loans”: as defined in Section 2.4(a).

“Revolving Percentage”: as to any Revolving Lender at any time, the percentage which such Lender’s Revolving Commitment then constitutes of the Total Revolving Commitments or, at any time after the Revolving Commitments shall have expired or terminated, the percentage which the aggregate Outstanding Amount of such Lender’s Revolving Loans at such time constitutes of the aggregate Outstanding Amount all Revolving Loans at such time; provided that in the event that the Revolving Loans are paid in full prior to the reduction to zero of the Total Revolving Extensions of Credit, the Revolving Percentages shall be determined in a manner designed to ensure that the other outstanding Revolving Extensions of Credit shall be held by the Revolving Lenders on a comparable basis.

“Revolving Termination Date”: the fifth anniversary of the Closing Date.

“Rule 3-16 Capital Stock”: the Capital Stock (or any portion thereof) of any Subsidiary of Holdings to the extent the granting of a security interest thereon would create the requirement for Holdings or any direct or indirect parent company thereof to file separate financial statements of such Subsidiary with the SEC (or any other governmental authority) pursuant to Rule 3-10 or 3-16 of Regulation S-X under the Securities Act (or any successor regulation) or any other requirement of law in effect from time to time.

“S&P”: Standard & Poor’s Financial Services LLC, a subsidiary of The McGraw-Hill Companies, Inc. and any successor to the rating agency business thereof.

“Sale Leaseback Transaction”: any arrangement with any Person or Persons, whereby in contemporaneous or substantially contemporaneous transactions UK Holdco or any Restricted Subsidiary sells substantially all of its right, title and interest in any property and, in connection therewith, UK Holdco or a Restricted Subsidiary acquires, leases or licenses back the right to use all or a material portion of such property.
“Sanctioned Country”: as defined in Section 4.17(c).

“Sanctioned Person”: (a) any Person listed in any Sanctions Laws-related list of designated persons maintained by OFAC (including the designation as a “specially designated national” or “blocked person”), the U.S. Department of State, the United Nations Security Council, the European Union, the United Kingdom or any EU member state, and (b) any Person owned 50% or more by any such Person or Persons.

“Sanctions Laws”: the laws and regulations administered or enforced by the U.S. Government (including OFAC or the U.S. Department of State), the United Nations Security Council, Canada, the European Union, the United Kingdom and any other relevant sanctions authority.

“SEC”: the Securities and Exchange Commission, any successor thereto and any analogous Governmental Authority.

“Second Priority Refinancing Revolving Facility”: as defined in the definition of “Permitted Second Priority Refinancing Debt.”

“Second Priority Refinancing Term Facility”: as defined in the definition of “Permitted Second Priority Refinancing Debt.”

“Secured Net Leverage Ratio”: as of any date of determination for the most recently ended Reference Period or the Reference Period otherwise specified herein, the ratio of (a) Consolidated Secured Indebtedness on such day, to (b) Consolidated EBITDA, in each case of UK Holdco and its Restricted Subsidiaries, calculated on a Pro Forma Basis for such period.

“Secured Parties”: the collective reference to the Administrative Agent, the Lenders (including each Issuing Lender in its capacity as such), any Receiver and, so long as any Obligations (other than in respect of Specified Cash Management Agreements and Specified Swap Agreements) are outstanding, any Qualified Counterparties and any Cash Management Providers.

“Securities Act”: the Securities Act of 1933, as amended from time to time, and any successor statute.

“Security Agreements”: collectively, the US Security Agreement, the US Pledge Agreement and each other security agreement and security agreement supplement executed and delivered pursuant to Section 5.1(a), Section 6.9, Section 6.11, Section 6.15 or Schedule 1.1C (as such schedule may be amended or supplemented from time to time in accordance with the Agreed Security Principles), in each case as amended, restated, supplemented, replaced or otherwise modified from time to time in accordance with its terms.

“Security Documents”: the collective reference to each Security Agreement, each Intellectual Property Security Agreement, those certain foreign security and pledge agreements listed on Schedule 1.1C (as such schedule may be amended or supplemented from time to time in accordance with the Agreed Security Principles), collateral assignments, security agreement supplements, security agreements, pledge agreements or other similar agreements delivered to the Administrative Agent pursuant to Section 5.1(a), Section 6.9, Section 6.11 or Section 6.15, and each of the other agreements, instruments or documents that creates or purports to create a Lien to secure the Obligations.
“Security Jurisdiction”: each of (a) the United States, any State thereof and the District of Columbia, (b) England and Wales, (c) Luxembourg (solely with respect to the Lux Borrower) and (d) any other jurisdiction in which any Borrower is organized (solely with respect to such Borrower).

“Senior Secured Notes”: as defined in the preamble hereto.

“Senior Secured Notes Indenture”: as defined in the preamble hereto.

“Senior Representative”: with respect to any series of Permitted First Priority Refinancing Debt or Permitted Second Priority Refinancing Debt or any other series of Indebtedness, the trustee, administrative agent, collateral agent, security agent or similar agent under the indenture or agreement pursuant to which such Indebtedness is issued, incurred or otherwise obtained, as the case may be, and each of their successors in such capacities.

“Significant Acquisition”: an acquisition the result of which is that Consolidated EBITDA, determined on a Pro Forma Basis after giving effect thereto, is equal to or greater than 125.0% of Consolidated EBITDA as of the most recently ended Reference Period immediately prior to the consummation of such Permitted Acquisition, in each case with respect to UK Holdco and the Restricted Subsidiaries based on the most recently ended Reference Period.

“Significant Subsidiary”: at any date of determination, each Restricted Subsidiary that would be a “Significant Subsidiary” within the meaning of Rule 1-02 under the Securities Act as such rule is in effect on the Closing Date.

“Similar Business”: any business, service or other activity engaged in by UK Holdco, any of the Restricted Subsidiaries, or any direct or indirect parent on the Closing Date and any business or other activities that are reasonably similar, ancillary, complementary or related to, or a reasonable extension, development or expansion of, the businesses in which UK Holdco and the Restricted Subsidiaries are engaged on the Closing Date.

“Single Employer Plan”: any Plan that is subject to Title IV of ERISA, but that is not a Multiemployer Plan.

“SOFR”: with respect to any day, the secured overnight financing rate published for such day by the Federal Reserve Bank of New York, as the administrator of the benchmark (or a successor administrator) on the Federal Reserve Bank of New York’s website (or any successor source) and, in each case, that has been selected or recommended by the Relevant Governmental Body.

“SOFR-Based Rate”: SOFR or Term SOFR.

“Solvency Certificate”: a certificate duly executed by a Responsible Officer substantially in the form of Exhibit I.
“Solvent”: with respect to any Person and its Subsidiaries on a consolidated basis, means that as of any date of determination, (a) the sum of the fair value of the assets of such Person will, as of such date, exceed the sum of all debts of such Person as of such date, (b) the present fair saleable value of the assets of such Person will, as of such date, be greater than the amount that will be required to pay the probable liability on existing debts of such Person as such debts become absolute and matured, (c) such Person will not have, as of such date, an unreasonably small amount of capital with which to conduct any business in which it is or is about to become engaged and (d) such Person does not intend to incur, or believe or reasonably should believe that it will incur, debts beyond its ability to pay as they mature. For purposes of this definition, (i) “debt” means liability on a “claim” and (ii) “claim” means any (x) right to payment, whether or not such a right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, subordinated, secured or unsecured or (y) right to an equitable remedy for breach of performance if such breach gives rise to a right to payment, whether or not such right to an equitable remedy is reduced to judgment, fixed, contingent, matured or unmatured, disputed, undisputed, secured or unsecured. For purposes of this definition, the amount of any contingent, unliquidated and disputed claim and any claim that has not been reduced to judgment at any time shall be computed as the amount that, in light of all the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability irrespective of whether such liabilities meet the criteria for accrual under the Financial Accounting Standards Board Statement of Financial Accounting Standards No. 5.

“Spain”: the Kingdom of Spain.

“Spanish Borrower”: a Borrower resident for tax purposes in Spain.

“Spanish Guarantor”: a Guarantor resident for tax purposes in Spain.

“Spanish Loan Party”: any Loan Party incorporated or organized under the laws of Spain, whose registered office/place of central administration is in Spain and whose centre of main interest (as that term is used in Article 3(1) of the regulation (EU) 2015/848 of the European Parliament and of the Council of 20 May 2015 (recast)) is in Spain.

“Spanish Qualifying Lender”: in respect of a Spanish Borrower, a Lender which is beneficially entitled to interest payable to that Lender in respect of any amounts hereunder and which is (a) a financial institution (entidad de crédito o establecimiento financiero de crédito) resident for tax purposes in Spain as identified in paragraph (c) of article 61 of Spanish Royal Decree 634/2015, of 10 July (Real Decreto 634/2015, de 10 de julio), as amended or restated; (b) a Spanish tax resident securitisation fund as identified in paragraph (k) of article 61 of Spanish Royal Decree 634/2015, of 11 July (Real Decreto 634/2015, de 10 de julio), as amended or restated; (c) a permanent establishment in Spain of a non-Spanish financial institution, as identified in the second paragraph of article 8.1 of Spanish Royal Decree 1776/2004, of 30 July (Real Decreto 1776/2004, de 30 de julio), as amended or restated; (d) an EU Lender; or (e) a Spanish Treaty Lender.

“Spanish Tax Deduction”: a deduction or withholding for, or on account of, Tax imposed by Spain from an interest payment under a Loan Document.

“Spanish Treaty Lender”: in respect of a Spanish Borrower, a Lender which (a) is treated as a resident of a Spanish Treaty State for the purposes of such Spanish Treaty; (b) does not carry on a business in Spain through a permanent establishment with which that Lender’s participation in the Loan is effectively connected; and (c) fulfils any other procedural conditions which must be fulfilled under the Spanish Treaty by residents of that Spanish Treaty State for such residents to obtain full exemption from taxation on interest imposed by Spain, subject to the completion of procedural formalities.

“Spanish Treaty State”: a jurisdiction having a double taxation agreement (including, but not limited to, any protocol, exchange of letters, memorandum of understanding, mutual agreement or any other agreement executed between the Governmental Authority of such jurisdiction and Spain in connection with or under the provisions of such double taxation agreement) with Spain (a “Spanish Treaty”) which makes provision for full exemption from tax imposed by Spain on interest.
“Specified Cash Management Agreement”: any Cash Management Agreement entered into by any Group Member, on the one hand, and any Cash Management Provider, on the other hand.

“Specified Class”: as defined in Section 2.28(a).

“Specified Event of Default”: any Event of Default set forth under Section 9.1(a) or, with respect to a Borrower, 9.1(g).

“Specified Swap Agreement”: (i) Existing Swap Agreement and (ii) Swap Agreement entered into by any Group Member, on the one hand, and any Qualified Counterparty (at the time entered into) on the other hand (unless otherwise designated by the Borrower Representative).

“Sponsors”: (i) Onex Corporation, Onex Partners IV LP, Onex Partners Manager LP and/or one or more other investment funds advised, managed or controlled by Onex Corporation, and (ii) Baring Private Equity Asia GP VI, L.P. and the investment fund managed and controlled by it, and, in each case (whether individually or as a group), their Affiliates and any investment funds that have granted to the foregoing control in respect of their investment in UK Holdco and/or any of the Restricted Subsidiaries of UK Holdco, but, in any event, excluding any of their respective portfolio companies.

“Standard Securitization Undertakings”: representations, warranties, covenants, indemnities and guarantees of performance entered into by UK Holdco or any Subsidiary of UK Holdco which the Borrower Representative 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 Receivables Subsidiary, it being understood that any Receivables Repurchase Obligation shall be deemed to be a Standard Securitization Undertaking.

“Stated Maturity Date” 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).

“Sterling”, “GBP” and “£”: the lawful currency of the United Kingdom.

“Subject Subsidiary”: as defined in Section 6.12

“Subordinated Indebtedness”: (a) with respect to any Borrower, any Indebtedness of any Borrower which is by its terms contractually subordinated in right of payment to the Loans, and (b) with respect to any Guarantor, any Indebtedness of such Guarantor which is by its terms contractually subordinated in right of payment to its Guarantee.

“Subsidiary”: with respect to any Person (1) any corporation, partnership, limited liability company, unlimited liability company, association, joint venture 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 stock or other ownership interests entitled (without regard to the occurrence of any contingency) to vote in the election of the Person or Persons (whether directors, managers, trustees or other Persons performing similar functions) having the power to direct or cause the direction of the management and policies thereof at the time owned or controlled, directly or indirectly, by that Person or one or more of the other Subsidiaries of that Person or a combination thereof, (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 ownership, 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 and (3) any Person that is consolidated in the consolidated financial statements of the specified Person in accordance with GAAP. Unless otherwise qualified, all references to a “Subsidiary” or to “Subsidiaries” in this Agreement shall refer to a Subsidiary or Subsidiaries of Holdings.
“Subsidiary Guarantor”: the collective reference to each Restricted Subsidiary that is party to the Loan Documents as guarantors of the Obligations, except to the extent released in accordance with this Agreement.

“Swap Agreement”: any agreement with respect to any swap, forward, future or derivative transaction or option or similar agreement involving, or settled by reference to, one or more rates, currencies, commodities, equity or debt instruments or securities, or economic, financial or pricing indices or measures of economic, financial or pricing risk or value or any similar transaction or any combination of these transactions; provided that no phantom stock or similar plan providing for payments only on account of services provided by current or former directors, officers, employees or consultants of UK Holdco or any of its Subsidiaries shall be a Swap Agreement.

“Swap Obligation”: as defined in the definition of “Excluded Swap Obligation.”

“Swingline Borrowing”: a borrowing consisting of simultaneous Swingline Loans of the same Type.

“Swingline Commitment”: the obligation of the Swingline Lender to make Swingline Loans in Dollars pursuant to Section 2.6 in an aggregate principal amount at any one time outstanding not to exceed $25,000,000.

“Swingline Lender”: Bank of America, N.A. and/or any other Lender under the Revolving Facility approved by the Borrower Representative and the Administrative Agent that agrees in writing to act in such capacity.

“Swingline Loan Note”: a promissory note substantially in the form of Exhibit F-2.

“Swingline Loans”: as defined in Section 2.6(a).

“Swingline Participation”: as defined in Section 2.6(a).

“Swiss Francs” or “CHF”: the lawful currency of Switzerland.

“TARGET2”: the Trans-European Automated Real-time Gross Settlement Express Transfer payment system which utilizes a single shared platform and which was launched on November 19, 2007.

“TARGET Day”: any day on which TARGET2 (or, if such payment system ceases to be operative, such other payment system, if any, determined by the Administrative Agent to be a suitable replacement) is open for the settlement of payments in Euro.
“Taxes”: as defined in Section 2.19(a).

“Term Borrowers”: as defined in the preamble hereto.

“Term Borrowing”: a borrowing consisting of simultaneous Term Loans of the same Type.

“Term Commitment”: as to any Lender, (i) the obligation of such Lender on the Closing Date, if any, to make a Closing Date Term Loan to the Term Borrowers in a principal amount not to exceed the amount set forth under the heading “Term Commitment” opposite such Lender’s name on Schedule 1.1A-1, (ii) the Incremental Term Commitments, if any, issued after the Closing Date pursuant to Section 2.25 (including, without limitation, the New Term Commitments) or (iii) Other Term Commitments, if any, issued after the Closing Date pursuant to a Refinancing Amendment entered into pursuant to Section 2.26. The original aggregate principal amount of the Term Commitments as of the Closing Date is $900,000,000. With respect to the New Term Loan Facility only, the aggregate principal amount of the New Term Commitments as of the Incremental Amendment Effective Date is $360,000,000.

“Term Facility”: any Class of Term Loans, as the context may require.

“Term Lenders”: each Lender that has a Term Commitment or that holds a Term Loan (including New Term Loans).

“Term Loan”: an Initial Term Loan (including the New Term Loans), an Other Term Loan or an Incremental Term Loan, as the context requires.

“Term Loan Maturity Date”: the seventh anniversary of the Closing Date.

“Term Loan Note”: a promissory note substantially in the form of Exhibit F-3, as it may be amended, supplemented or otherwise modified from time to time.

“Term Loan Purchase Amount”: as defined in the definition of “Dutch Auction.”

“Term Percentage”: as to any Term Lender at any time, the percentage which such Lender’s Term Commitment then constitutes of the aggregate Term Commitments (or, at any time after the Closing Date, the percentage which the aggregate Outstanding Amount of such Lender’s Term Loans at such time constitutes of the aggregate Outstanding Amount of all Term Loans at such time).

“Term SOFR”: the forward-looking term rate for any period that is approximately (as determined by the Administrative Agent) as long as any of the Interest Period options set forth in the definition of “Interest Period” and that is based on SOFR and that has been selected or recommended by the Relevant Governmental Body, in each case as published on an information service as selected by the Administrative Agent from time to time in its reasonable discretion in consultation with the Borrower Representative.

“Termination Date”: the date on which all Commitments have been terminated and the principal of and interest on each Loan, all fees and all other expenses or amounts payable under any Loan Document shall have been paid in full (other than contingent indemnification and reimbursement obligations for which no claim has been made) and all Letters of Credit have been canceled, have expired or have been Collateralized or back-stopped by a letter of credit or otherwise in a manner reasonably satisfactory to the relevant Issuing Lender or deemed reissued under another agreement in a manner reasonably satisfactory to the Administrative Agent and the relevant Issuing Lender.
“Total Net Leverage Ratio”: as of any date of determination for the most recently ended Reference Period or the Reference Period otherwise specified herein, the ratio of (a) Consolidated Total Indebtedness on such day, to (b) Consolidated EBITDA, in each case of UK Holdco and its Restricted Subsidiaries, calculated on a Pro Forma Basis for such period.

“Total Incremental Term Commitments”: at any time, the aggregate Dollar Amount of the Incremental Term Commitments then in effect.

“Total Revolving Commitments”: at any time, the aggregate Dollar Amount of the Revolving Commitments then in effect.

“Total Revolving Extensions of Credit”: at any time, the aggregate Outstanding Amount of the Revolving Extensions of Credit of the Revolving Lenders at such time.

“TRA Payment”: as defined in the preamble hereto.

“Transactions”: (a) the issuance and sale of the Senior Secured Notes on or prior to the Closing Date, (b) the execution and delivery of the Loan Documents to be entered into on the Closing Date and the funding of the Loans on the Closing Date, (c) the Closing Date Refinancing, (d) the TRA Payment and (e) the payment of fees and expenses incurred in connection with the foregoing.

“Transferee”: any Assignee or Participant.

“Transformative Disposition”: any Asset Sale or other disposition by UK Holdco or any Restricted Subsidiary that is either (a) not permitted by the terms of this Agreement immediately prior to the consummation of such Asset Sale or other disposition or (b) if permitted by the terms of this Agreement immediately prior to the consummation of such Asset Sale or other disposition, would not provide UK Holdco and its Restricted Subsidiaries with a durable capital structure following such consummation, as determined by the Borrower Representative acting in good faith.

“Type”: as to any Loan, its nature as an ABR Loan or a Eurocurrency Loan.

“UK Borrower”: UK Holdco and/or an Additional Revolving Borrower incorporated in the United Kingdom.

“UK Holdco”: as defined in the preamble hereto.

“UK Non-Bank Lender”: (a) where a Revolving Lender or a Swingline Lender becomes a party to this Agreement on the Closing Date, a Revolving Lender or a Swingline Lender listed as a UK Non-Bank Lender in Schedule 1.1A-1, and (b) where a Revolving Lender or a Swingline Lender becomes a party to this Agreement after the Closing Date, a Revolving Lender or a Swingline Lender which gives a UK Tax Confirmation in the Assignment and Assumption, Incremental Amendment or Refinancing Amendment pursuant to which such Lender becomes a party hereto.
“UK Qualifying Lender”: (a) a Revolving Lender or a Swingline Lender which is beneficially entitled to interest payable to that Lender in respect of an advance under a Loan Document that is a Revolving Loan or a Swingline Loan (as applicable) and is (i) a Revolving Lender or Swingline Lender (as applicable) (A) which is a bank (as defined for the purpose of section 879 of the ITA 2007) making an advance under a Loan Document that is a Revolving Loan or a Swingline Loan (as applicable) and is within the charge to United Kingdom corporation tax as respects any payments of interest made in respect of that advance or would be within such charge as respects such payments apart from section 18A of the CTA 2009; or (B) in respect of an advance made under a Loan Document that is a Revolving Loan or a Swingline Loan (as applicable) by a person that was a bank (as defined for the purpose of section 879 of the ITA 2007) at the time that that advance was made and within the charge to United Kingdom corporation tax as respects any payments of interest made in respect of that advance or would be within such charge as respects such payments apart from section 18A of the CTA 2009; or (ii) a Revolving Lender or a Swingline Lender which is: (A) a company resident in the United Kingdom for United Kingdom tax purposes, or (B) a partnership each member of which is (x) a company so resident in the United Kingdom or (y) a company not so resident in the United Kingdom which carries on a trade in the United Kingdom through a permanent establishment and which brings into account in computing its chargeable profits (within the meaning of section 19 of the CTA 2009) the whole of any share of interest payable in respect of that advance that falls to it by reason of Part 17 of the CTA 2009, or (C) a company not so resident in the United Kingdom which carries on a trade in the United Kingdom through a permanent establishment and which brings into account interest payable in respect of that advance in computing the chargeable profits (within the meaning of section 19 of the CTA 2009) of that company; or (iii) a UK Treaty Lender, or (b) a Revolving Lender or a Swingline Lender which is a building society (as defined for the purposes of section 880 ITA) making an advance under a Loan Document that is a Revolving Loan or a Swingline Loan (as applicable).

“UK Tax Confirmation”: a confirmation in writing by a Revolving Lender or a Swingline Lender that the person beneficially entitled to interest payable to that Revolving Lender or Swingline Lender in respect of an advance under a Loan Document that is a Revolving Loan or a Swingline Loan (as applicable) is either (a) a company resident in the United Kingdom for United Kingdom tax purposes or (b) a partnership each member of which is (i) a company so resident in the United Kingdom or (ii) a company not so resident in the United Kingdom which carries on a trade in the United Kingdom through a permanent establishment and which brings into account in computing its chargeable profits (within the meaning of section 19 of the CTA 2009) the whole of any share of interest payable in respect of that advance that falls to it by reason of Part 17 of the CTA 2009 or (c) a company not so resident in the United Kingdom which carries on a trade in the United Kingdom through a permanent establishment and which brings into account interest payable in respect of that advance in computing the chargeable profits (within the meaning of section 19 of the CTA 2009) of that company.

“UK Tax Deduction”: a deduction or withholding for, or on account of, Tax imposed by the United Kingdom from a payment under a Loan Document.

“UK Treaty”: meaning assigned to such term in the definition of “UK Treaty State”.

“UK Treaty Lender”: a Revolving Lender or a Swingline Lender which is (i) treated as a resident of a UK Treaty State for the purposes of the relevant Treaty, (ii) does not carry on a business in the United Kingdom through a permanent establishment with which that Lender's participation in the Loan is effectively connected, and (iii) fulfills any other conditions which must be fulfilled under the relevant Treaty to obtain full exemption from Tax imposed by the United Kingdom on payments of interest.

“UK Treaty State”: a jurisdiction having a double taxation agreement (a “Treaty”) with the United Kingdom (a “UK Treaty”) which makes provision for full exemption from Tax imposed by the United Kingdom on interest.

“Undisclosed Administration”: in relation to a Lender or its direct or indirect parent company the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official by a supervisory authority or regulator under or based on the law in the country where such Lender is subject to home jurisdiction supervision if applicable law requires that such appointment is not to be publicly disclosed.
“Uniform Commercial Code” or “UCC”: the Uniform Commercial Code (or any similar or equivalent legislation) as in effect from time to time in any applicable jurisdiction.

“United Kingdom” or “UK”: the United Kingdom of Great Britain and Northern Ireland.

“United States”: the United States of America.

“Unrestricted”: when referring to cash or Cash Equivalents, means that such cash or Cash Equivalents are not Restricted.

“Unrestricted Cash Amount”: on any date of determination, an amount equal to the sum of (a) the Unrestricted cash and Cash Equivalents and (b) cash and Cash Equivalents restricted in favor of the Administrative Agent, the collateral agent in respect of the Senior Secured Notes or any other administrative agent or collateral agent in respect of Obligations secured on a pari passu basis with the Obligations, so long as the holders of such other Obligations do not have the benefit of a control agreement or other equivalent method of perfection (unless (i) the Administrative Agent or Collateral Agent also has the benefit of a control agreement or other equivalent method of perfection or (ii) such holders are bound by an Acceptable Intercreditor Agreement), in each case of UK Holdco and its Restricted Subsidiaries on such date.

“Unrestricted Subsidiary”: (i) any Subsidiary of UK Holdco designated by the Borrower Representative as an Unrestricted Subsidiary pursuant to Section 6.12 subsequent to the Closing Date, (ii) any Subsidiary of an Unrestricted Subsidiary and (iii) each Receivables Subsidiary designated by the Borrower Representative as an Unrestricted Subsidiary pursuant to Section 6.12 subsequent to the Closing Date. For the avoidance of doubt, no Borrower may be designated as an Unrestricted Subsidiary at any time, and no Additional Revolving Borrower may be designated as an Unrestricted Subsidiary unless it shall have ceased to be an Additional Revolving Borrower pursuant to Section 12.3 prior to the effectiveness of such designation as an Unrestricted Subsidiary.

“Unsecured Refinancing Revolving Facility”: as defined in the definition of “Permitted Unsecured Refinancing Debt.”

“Unsecured Refinancing Term Facility”: as defined in the definition of “Permitted Unsecured Refinancing Debt.”

“US Borrowers”: as defined in the recitals hereto.

“US Intellectual Property Security Agreements”: collectively, each of the intellectual property security agreements among the Loan Parties party thereto and the Administrative Agent, in each case substantially in the applicable form attached to the US Security Agreement.

“US Loan Party”: any Loan Party organized under the laws of the United States, any state within the United States or the District of Columbia.

“US Pledge Agreement”: the US Pledge Agreement dated as of the Closing Date among the Loan Parties party thereto and the Administrative Agent, substantially in the form of Exhibit A-1.

“US Security Agreement”: the US Security Agreement dated as of the Closing Date among the Loan Parties party thereto and the Administrative Agent, substantially in the form of Exhibit A-2.
“US Subsidiary”: any Subsidiary of UK Holdco organized under the laws of the United States, any state within the United States or the District of Columbia.

“VAT”: (a) any tax imposed in compliance with the Council Directive of 28 November 2006 on the common system of value added tax (EC Directive 2006/112); and (b) any other tax of a similar nature, whether imposed in a member state of the European Union in substitution for, or levied in addition to, such tax referred to in paragraph (a), or imposed elsewhere.

“Voting Stock”: with respect to any Person as of any date, the Capital Stock of such Person that is at the time entitled to vote in the election of the Board of Directors of such Person.

“Weighted Average Life to Maturity”: when applied to any Indebtedness, Disqualified Stock or Preferred Stock, as the case may be, at any date, the quotient obtained by dividing (1) the sum of the products of the number of years from the date of determination to the date of each successive scheduled principal payment of such Indebtedness or redemption or similar payment with respect to such Disqualified Stock or Preferred Stock multiplied by the amount of such payment, by (2) the sum of all such payments; provided that the effect of any prepayment shall be disregarded in making such calculation.

“Wholly Owned Restricted Subsidiary”: any Wholly Owned Subsidiary that is a Restricted Subsidiary.

“Wholly Owned Subsidiary”: 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 shares or interests required to be held by foreign nationals or other third parties to the extent required by applicable law) shall at the time be owned by such Person or by one or more Wholly Owned Subsidiaries of such Person.

“Write-Down and Conversion Powers”: with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule.

1.2 General Interpretive Provisions.

(a) Unless otherwise specified therein, all terms defined in this Agreement shall have the defined meanings when used in the other Loan Documents or any certificate or other document made or delivered pursuant hereto or thereto.

(b) As used herein and in the other Loan Documents, and any certificate or other document made or delivered pursuant hereto or thereto, (i) accounting terms not defined in Section 1.1 and accounting terms partly defined in Section 1.1, to the extent not defined, shall have the respective meanings given to them under GAAP, (ii) the words “include”, “includes” and “including” shall be deemed to be followed by the phrase “without limitation”, (iii) the word “incur” shall be construed to mean incur, create, issue, assume or become liable in respect of (and the words “incurred” and “incurrence” shall have correlative meanings), (iv) the words “asset” and “property” shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, Capital Stock, securities, revenues, accounts, real property, leasehold interests and contract rights, (v) the term “consolidated” with respect to any Person refers to such Person consolidated with the Restricted Subsidiaries, and excludes from such consolidation any Unrestricted Subsidiary as if such Unrestricted Subsidiary were not an Affiliate of such Person, (vi) references to agreements or other Contractual Obligations (including any of the Loan Documents) shall, unless otherwise specified, be deemed to refer to such agreements or Contractual Obligations as amended, novated, supplemented, restated, extended, amended and restated or otherwise modified from time to time, (vii) any reference to any Law in any Loan Document shall include all statutory and regulatory provisions consolidating, amending, replacing, supplementing, superseding or interpreting such Law, (viii) a debt instrument includes any equity or hybrid instrument to the extent characterized as indebtedness and (ix) the words “ordinary course of business” or “ordinary course” shall, with respect to any Person, be deemed to refer to items or actions that are consistent with industry practice or norms of such Person’s industry or such Person’s past practice (it being understood that the sale of accounts receivable (and related assets) pursuant to supply-chain, factoring or reverse factoring arrangements entered into by UK Holdco and its Restricted Subsidiaries shall be deemed to be in the ordinary course of business so long as such accounts receivable (and related assets) are sold for cash in an amount not less than 95% of the face amount thereof).
(c) The words “hereof”, “herein” and “hereunder” and words of similar import, when used in this Agreement, shall refer to this Agreement as a whole and not to any particular provision of this Agreement, and clause, paragraph, Section, Schedule and Exhibit references are to this Agreement unless otherwise specified.

(d) The meanings given to terms defined herein shall be equally applicable to both the singular and plural forms of such terms.

(e) Unless otherwise specified, all references herein to times of day shall be references to New York City time (daylight or standard, as applicable).

(f) Any financial ratios required to be maintained by the Borrowers pursuant to this Agreement shall be calculated by dividing the appropriate component by the other component, carrying the result to one place more than the number of places by which such ratio is expressed herein and rounding the result up or down to the nearest number (with a rounding-up if there is no nearest number).

(g) Unless otherwise specified herein, the amount of a Letter of Credit at any time shall be deemed to be the stated amount of such Letter of Credit in effect at such time; provided, however, that with respect to any Letter of Credit that, by its terms or the terms of any Issuer Document related thereto, provides for one or more automatic increases in the stated amount thereof, the amount of such Letter of Credit shall be deemed to be the maximum stated amount of such Letter of Credit after giving effect to all such increases, whether or not such maximum stated amount is in effect at such time.
1.3 Accounting.

(a) For purposes of all financial definitions and calculations in this Agreement, including the determination of Excess Cash Flow (i) there shall be excluded for any period the effects of purchase accounting (including the effects of such adjustments pushed down to UK Holdco and the Restricted Subsidiaries) in component amounts required or permitted by GAAP and related authoritative pronouncements (including the effects of such adjustments pushed down to UK Holdco and the Restricted Subsidiaries), as a result of the Transactions, any acquisition consummated prior to the Closing Date, any Permitted Acquisitions or other investments permitted hereunder, or the amortization or write-off of any amounts thereof and (ii) effect shall not be given to (A) any election under Accounting Standards Codification 825-10-25 (previously referred to as Statement of Financial Accounting Standards 159) (or any other Accounting Standards Codification, International Accounting Standard or Financial Accounting Standard having a similar result or effect) to value any Indebtedness or other liabilities of UK Holdco or any Subsidiary at “fair value,” as defined therein, (B) any treatment of Indebtedness in respect of convertible debt instruments under Accounting Standards Codification 470-20 (or any other Accounting Standards Codification, International Accounting Standard or Financial Accounting Standard having a similar result or effect) to value any such Indebtedness in a reduced or bifurcated manner as described therein, and such Indebtedness shall at all times be valued at the full stated principal amount thereof or (C) the application of Accounting Standards Codification 480, 815, 805 and 718 (to the extent these pronouncements under Accounting Standards Codification 718 result in recording an equity award as a liability on the consolidated balance sheet of UK Holdco and its Restricted Subsidiaries in the circumstance where, but for the application of the pronouncements, such award would have been classified as equity). Any calculation or determination in this Agreement that requires the application of GAAP across multiple quarters need not be calculated or determined using the same accounting standard for each constituent quarter.

(b) Notwithstanding anything to the contrary contained in this Agreement or in the definition of “Capitalized Lease Obligation”, unless the Borrower Representative elects otherwise, all obligations of any Person that are or would have been treated as operating leases for purposes of GAAP prior to the issuance by the Financial Accounting Standards Board on February 25, 2016 of an Accounting Standards Update (the “ASU”) shall continue to be accounted for as operating leases (and not be treated as financing or capital lease obligations or Indebtedness) for purposes of all financial definitions, calculations and deliverables under this Agreement or any other Loan Document (including the calculation of Consolidated Net Income and Consolidated EBITDA) (whether or not such operating lease obligations were in effect on such date) notwithstanding the fact that such obligations are required in accordance with the ASU or any other change in accounting treatment or otherwise (on a prospective or retroactive basis or otherwise) to be treated as or to be re-characterized as financing or capital lease obligations or otherwise accounted for as liabilities in financial statements.

(c) Interest on a Capitalized Lease Obligation shall be deemed to accrue at an interest rate reasonably determined by a responsible financial or accounting officer of the Borrower Representative to be the rate of interest implicit in such Capitalized Lease Obligation in accordance with GAAP. Interest on any Indebtedness under a revolving credit facility computed on a pro forma basis may 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 Borrower Representative may designate.

1.4 Limited Condition Transactions Notwithstanding anything to the contrary herein (including in connection with any calculation that is made on a Pro Forma Basis), in connection with any action being taken in connection with a Limited Condition Transaction, for purposes of:

(a) determining compliance with any provision of this Agreement which (i) requires the calculation of any financial ratio or test (including the First Lien Net Leverage Ratio, Secured Net Leverage Ratio, Total Net Leverage Ratio and Interest Coverage Ratio), (ii) requires the absence of any Default or Event of Default (or any type of Default or Event of Default) and/or (iii) requires the accuracy of any representation or warranty; or
determining compliance with any basket or other condition set forth in this Agreement (including baskets measured as a percentage of Consolidated EBITDA);

in each case, at the option of the Borrower Representative (the Borrower Representative’s election to exercise such option in connection with any Limited Condition Transaction, a “LCT Election”), the date of determination of whether any such action is permitted hereunder shall be deemed to be (A) in the case of any acquisition or other Investment (including by way of merger, amalgamation or consolidation), any Asset Sale or any assumption or incurrence of Indebtedness or issuance of Preferred Stock or Disqualified Stock, or any transaction relating thereto, the date (or on the basis of the financial statements for the most recently ended Reference Period at the time) of entry into a binding letter of intent or the definitive agreements for such Limited Condition Transaction (or, solely in connection with an acquisition (including by way of merger, amalgamation or consolidation) to which the United Kingdom City Code on Takeovers and Mergers applies, the date on which a “Rule 2.7 Announcement” of a firm intention to make an offer is made), (B) in the case of any Restricted Debt Payment, at the time (or on the basis of the financial statements for the most recently ended Reference Period at the time) of delivery of notice with respect to such Restricted Debt Payment or (C) in the case of any other Restricted Payment, at the time (or on the basis of the financial statements for the most recently ended Reference Period at the time) of the declaration of such Restricted Payment (the applicable date determined pursuant to clause (A), (B) or (C), the “LCT Test Date”), and if, after giving effect to the Limited Condition Transaction and the other transactions to be entered into in connection therewith (including any incurrence of Indebtedness and the use of proceeds thereof) and, at the election of the Borrower Representative, any other Limited Condition Transaction that has not been consummated but with respect to which the Borrower Representative has made an LCT Election, on a Pro Forma Basis as if they had occurred at the beginning of the most recently completed Reference Period ending prior to the LCT Test Date, UK Holdco or the Restricted Subsidiaries would have been permitted to take such action on the relevant LCT Test Date in compliance with such ratio, test, basket or condition shall be deemed to have been complied with. For the avoidance of doubt, if the Borrower Representative has made an LCT Election and any of the ratios, tests, baskets or conditions for which compliance was determined or tested as of the LCT Test Date are exceeded as a result of fluctuations in any such ratio, test, basket or condition, including due to fluctuations in Consolidated EBITDA at or prior to the consummation of the relevant transaction or action, such baskets, tests, ratios and conditions will not be deemed to have been exceeded as a result of such fluctuations. The provisions of this Section 1.4 shall also apply in respect of the incurrence of any Incremental Facility.

1.5 Currency Equivalents Generally.

(a) Any amount specified in this Agreement (other than in Sections 2, 3, 10 and 11 or as set forth in clause (b) of this Section) or any of the other Loan Documents to be in Dollars shall also include the equivalent of such amount in any currency other than Dollars, such equivalent amount to be determined at the rate of exchange quoted by the Reuters World Currency Page for the Alternative Currency at 11:00 a.m. (London time) on such day (or, in the event such rate does not appear on any Reuters World Currency Page, by reference to such other publicly available service for displaying exchange rates as may be agreed upon by the Administrative Agent and the Borrower Representative, or, in the absence of such agreement, such rate shall instead be the arithmetic average of the spot rates of exchange of the Administrative Agent in the market where its foreign currency exchange operations in respect of such currency are then being conducted, at or about 11:00 a.m. (New York City time) on such date for the purchase of Dollars for delivery two Business Days later); provided that the determination of any Dollar Amount shall be made in accordance with Section 2.29; provided that if any basket is exceeded solely as a result of fluctuations in applicable currency exchange rates after the last time such basket was utilized, such basket will not be deemed to have been exceeded solely as a result of such fluctuations in currency exchange rates.
For purposes of determining the First Lien Net Leverage Ratio, the Secured Net Leverage Ratio and the Total Net Leverage Ratio, amounts denominated in a currency other than Dollars will be converted to Dollars for the purposes of (A) testing the covenant set forth in Section 7.1, at the exchange rate used in preparing the applicable financial statements as of the last day of the fiscal quarter for which such measurement is being made and (B) otherwise, at the option of the Borrower Representative, the Exchange Rate as of the date of calculation or at the exchange rate used in preparing the applicable financial statements, and at the option of the Borrower Representative in each case will, in the case of Indebtedness, reflect the currency translation effects, determined in accordance with GAAP, of Swap Agreements permitted hereunder for currency exchange risks with respect to the applicable currency in effect on the date of determination of the Dollar Amount of such Indebtedness.

1.6 Change in Currency.

(a) Each obligation of any Loan Party to make a payment denominated in the national currency unit of any member state of the European Union that adopts the Euro as its lawful currency after the Closing Date shall be redenominated into Euro at the time of such adoption (in accordance with the EMU Legislation). If, in relation to the currency of any such member state, the basis of accrual of interest expressed in this Agreement in respect of that currency shall be inconsistent with any convention or practice in the London interbank market for the basis of accrual of interest in respect of the Euro, such expressed basis shall be replaced by such convention or practice with effect from the date on which such member state adopts the Euro as its lawful currency; provided that if any Borrowing in the currency of such member state is outstanding immediately prior to such date, such replacement shall take effect, with respect to such Borrowing, at the end of the then current Interest Period.

(b) Each provision of this Agreement shall be subject to such reasonable changes of construction as the Administrative Agent may from time to time specify in consultation with the Borrower Representative to be appropriate to reflect the adoption of the Euro by any member state of the European Union and any relevant market conventions or practices relating to the Euro.

(c) Each provision of this Agreement also shall be subject to such reasonable changes of construction as the Administrative Agent may from time to time specify in consultation with the Borrower Representative to be appropriate to reflect a change in currency of any other country and any relevant market conventions or practices relating to the change in currency.

1.7 Luxembourg Law Terms.

Without prejudice to the generality of any provision of this Agreement, in this Agreement where it relates to a Luxembourg Loan Party, a reference to: (a) a winding-up, administration or dissolution includes, without limitation, bankruptcy (faillite), insolvency, voluntary and judicial liquidation (liquidation volontaire et judiciaire), composition with creditors (concordat préventif de la faillite), moratorium or reprieve from payment (sursis de paiement), controlled management (gestion contrôlée), or fraudulent conveyance (action paulienne), general settlement with creditors, reorganization or similar laws affecting the rights of creditors generally; (b) a receiver, administrative receiver, administrator, trustee, custodian, sequestrator, conservator or similar officer includes, without limitation, a juge délégué, commissaire, juge-commissaire, mandataire ad hoc, administrateur, provisoire, liquidateur or curateur; (c) a lien or security interest includes any hypothèque, nantissement, gage, privilège, sûreté réelle, droit de rétention, and any type of security in rem (sûreté réelle) or agreement or arrangement having a similar effect and any transfer of title by way of security; (d) a person being unable to pay its debts includes that person being in a state of cessation de paiements; (e) creditors process means an executory attachment (saisie exécutoire) or conservatory attachment (saisie conservatoire); (f) a guarantee includes any garantie which is independent from the debt to which it relates and excludes any suretyship (cautionnement) within the meaning of Articles 2011 and seq. of the Luxembourg Civil Code; (g) by-laws or constitutional documents includes its up-to-date (referred) articles of association (statuts coordonnés) and (h) a director or a manager includes an administrateur and a gérant.
1.8 Foreign Guarantor Provisions. This Agreement and all of the other Loan Documents shall be subject in all respects to the Foreign Guarantor Provisions set forth in Schedule 1.8 (as may be supplemented pursuant to Section 11.1 or as otherwise agreed to by the Administrative Agent).

1.9 Certain Calculations.

(a) For purposes of determining the permissibility of any action, change, transaction or event that requires a calculation of any financial ratio or financial test (including Section 7.1 hereof, any First Lien Net Leverage Ratio test, any Secured Net Leverage Ratio test, any Total Net Leverage Ratio test and/or any Interest Coverage Ratio test) and/or the amount of Consolidated EBITDA or Consolidated Net Income, and irrespective of any use of the expression “at any one time outstanding” (or any similar expression), such financial ratio, financial test or amount shall, subject to Section 1.4, be calculated at the time such action is taken, such change is made, such transaction is consummated or such event occurs, as the case may be, and no Default or Event of Default shall be deemed to have occurred solely as a result of a change in such financial ratio, financial test or amount occurring after the time such action is taken, such change is made, such transaction is consummated or such event occurs, as the case may be.

(b) Notwithstanding anything to the contrary herein, unless the Borrower Representative otherwise notifies the Administrative Agent, with respect to any amount incurred or transaction entered into (or consummated) in reliance on a provision of this Agreement that does not require compliance with a financial ratio or financial test (including any First Lien Net Leverage Ratio test, any Secured Net Leverage Ratio test, any Total Net Leverage Ratio test and/or any Interest Coverage Ratio test) (any such amount, including any amount drawn under the Revolving Facility or any other permitted revolving facility and any cap expressed as a percentage of Consolidated Net Income or Consolidated EBITDA, a “Fixed Amount”) substantially concurrently with any amount Incurred or transaction entered into (or consummated) in reliance on a provision of this Agreement that requires compliance with a financial ratio or financial test (including any First Lien Net Leverage Ratio test, any Secured Net Leverage Ratio test, any Total Net Leverage Ratio test and/or any Interest Coverage Ratio test) (any such amount, an “Incurrence-Based Amount”), it is understood and agreed that (i) the incurrence of the Incurrence-Based Amount shall be calculated first without giving effect to any Fixed Amount but giving full pro forma effect to the use of proceeds of such Fixed Amount and the related transactions and (ii) the incurrence of the Fixed Amount shall be calculated thereafter. Unless the Borrower Representative elects otherwise, the Borrowers shall be deemed to have used amounts under an Incurrence-Based Amount then available to the Borrowers prior to utilization of any amount under a Fixed Amount then available to the Borrowers.
For purposes of determining compliance at any time with Sections 7.2, 7.3, 7.5 and 7.7, in the event that any Indebtedness, Preferred Stock, Disqualified Stock, Lien, Restricted Payment, Investment or disposition or portion thereof, as applicable, at any time meets the criteria of more than one of the categories of transactions or items permitted pursuant to any clause of such Sections 7.2 (other than Section 7.2(b)(i) in the case of Indebtedness incurred on the Closing Date), 7.3, 7.5 or 7.7 (other than pursuant to clause (6) of the definition of “Permitted Liens” as it relates to Section 7.2(b)(i) and clause (7)(i) of the definition of “Permitted Liens”) (each of the foregoing, including the categories and items set forth in component definitions thereof, a “Reclassifiable Item”), the Borrower Representative, in its sole discretion, may, from time to time, divide, classify or reclassify such Reclassifiable Item (or portion thereof) under one or more clauses (or component definitions) of each such Section and will only be required to include such Reclassifiable Item (or portion thereof) in any one category; provided that, upon delivery of any financial statements pursuant to Section 6.1(a) or (b) following the initial incurrence or making of any such Reclassifiable Item, if such Reclassifiable Item could, based on such financial statements, have been incurred or made in reliance on any “ratio-based” basket or exception, such Reclassifiable Item shall automatically be reclassified as having been incurred or made under such “ratio-based” basket or exception (in each case, subject to any other applicable provision of such “ratio-based” basket or exception); provided, further, that Indebtedness shall be reclassified only to the extent that any Lien in respect thereof would be permitted after such reclassification and any concurrent reclassification of such Lien. It is understood and agreed that any Indebtedness, Preferred Stock, Disqualified Stock, Lien, Restricted Payment, Investment, disposition and/or Affiliate Transaction need not be permitted solely by reference to one category under the applicable covenant, but may instead be permitted in part under any combination thereof or under any other available exception.

Notwithstanding anything to the contrary herein, but subject to Sections 1.4 and 1.9(a) and (c), all financial ratios and tests (including the Total Net Leverage Ratio, the First Lien Net Leverage Ratio, the Secured Net Leverage Ratio and the Interest Coverage Ratio) and the amount of Consolidated Net Income and Consolidated EBITDA (other than, for the avoidance of doubt, for purposes of calculating Excess Cash Flow) contained in this Agreement that are calculated with respect to any Reference Period shall be calculated with respect to such Reference Period on a Pro Forma Basis.

For purposes of determining compliance with Section 7.2 or Section 7.7, if any Indebtedness, Preferred Stock, Disqualified Stock or Lien is created or Incurred in reliance on a basket measured by reference to a percentage of Consolidated EBITDA, and any refinancing or replacement thereof would cause the percentage of Consolidated EBITDA to be exceeded if calculated based on the Consolidated EBITDA on the date of such refinancing or replacement, such percentage of Consolidated EBITDA will be deemed not to be exceeded so long as the principal amount of such refinancing or replacement Indebtedness, Preferred Stock, Disqualified Stock or other obligation does not exceed an amount sufficient to repay the principal amount of such Indebtedness, Preferred Stock, Disqualified Stock or other obligation being refinanced or replaced, except by an amount equal to (x) the amount necessary to pay accrued and unpaid interest, fees, underwriting discounts and expenses, including any premium and defeasance costs Incurred in connection with such refinancing or replacement, (y) any existing commitments unutilized thereunder and (z) additional amounts permitted to be Incurred under Section 7.2.

1.10 Delaware LLC Divisions. For all purposes under the Loan Documents, in connection with any Delaware LLC Division: (a) if any asset, right, obligation or liability of any Person becomes the asset, right, obligation or liability of a Delaware Divided LLC, then it shall be deemed to have been transferred from the original Person to the Delaware Divided LLC, and (b) if a Delaware Divided LLC comes into existence, such Delaware Divided LLC shall be deemed to have been organized on the first date of its existence by the holders of its Equity Interests at such time.
1.11 Interest Rates. The Administrative Agent does not warrant, nor accept responsibility, nor shall the Administrative Agent have any
liability with respect to the administration, submission or any other matter related to the rates in the definition of “Eurodollar Rate” or with respect to
any rate that is an alternative or replacement for or successor to any of such rate (including, without limitation, any LIBOR Successor Rate) or the effect
of any of the foregoing, or of any LIBOR Successor Rate Conforming Changes.

SECTION 2.
AMOUNT AND TERMS OF COMMITMENTS

2.1 Term Commitments. (i) Subject to the terms and conditions hereof, each Term Lender (other than the New Term Lenders) severally
agrees to make a single Term Loan to the Term Borrowers on the Closing Date in Dollars and in an amount not to exceed the amount of the Term
Commitment of such Lender on the Closing Date. The and (ii) subject to the terms and conditions set forth in the Incremental Facility Amendment, each
New Term Lender severally agrees to make a single Term Loan to the Incremental Borrowers (as defined in the Incremental Facility Amendment) on the
Incremental Amendment Effective Date in Dollars and in an amount not to exceed the amount of the New Term Commitment of such New Term Lender
on the Incremental Amendment Effective Date. Term Loans may from time to time be Eurocurrency Loans or ABR Loans, as determined by the Borrower
Representative and notified to the Administrative Agent in accordance with Sections 2.2 and 2.12. The Term Borrowing on the Closing Date shall consist of Term Loans made simultaneously by the Term Lenders in accordance with their respective Term Commitments. The Term Commitments (excluding any Incremental Term Commitments or Other Term Commitments) shall automatically terminate at 11:59 p.m. (New York City time) on the
Closing Date. The New Term Commitments shall automatically terminate at 11:59 p.m. (New York City time) on the Incremental Amendment Effective
Date. Amounts borrowed under this Section 2.1 and repaid or prepaid may not be reborrowed.

2.2 Procedure for Borrowing Term Loans. The Borrower Representative (on behalf of the Borrowers under any Term Facility) shall give
the Administrative Agent irrevocable notice, substantially in the form of Exhibit H or such other form as may be approved by the Administrative Agent
(including any form on an electronic platform or electronic transmission system as shall be approved by the Administrative Agent), appropriately
completed and signed by a Responsible Officer of the Borrower Representative (which notice must be received by the Administrative Agent no later
than (A) 11:00 a.m. (New York City time), one Business Day prior to the anticipated Closing Date or Incremental Amendment Effective Date, as
applicable, (which shall be a Business Day), in the case of ABR Loans and (B) 11:00 a.m. (New York City time), three Business Days prior to the
anticipated Closing Date or Incremental Amendment Effective Date, as applicable, in the case of Eurocurrency Loans, in each case or such shorter
period as the Administrative Agent shall agree) requesting that the Term Lenders make the Initial Term Loans on the Closing Date and or that the New
Term Lenders make the New Term Loans on the Incremental Amendment Effective Date, as applicable, and specifying (i) the amount to be borrowed, (ii)
the Type of Loans, (iii) the applicable Interest Period, and (iv) instructions for remittance of the Term Loans to be borrowed. If the Borrower fails to
specify the Type of Initial Term Loans, they shall be made as ABR Loans. Notwithstanding the foregoing, such notices may be conditioned on the occurrence of the Closing Date or Incremental Amendment Effective Date, as applicable, or Incremental Amendment Effective Date, or on the occurrence of any transaction utilizing such Incremental Term Loans. Upon receipt of such notice the Administrative Agent shall promptly notify each Term Lender thereof. Not later than 1:00 p.m. (New York City time) on the Closing Date or Incremental Amendment Effective Date, each such Term Lender shall make available to the Administrative Agent at the Administrative Agent’s Office an amount in immediately available funds equal to the Term Loan or Term Loans to be made by such Lender. Such borrowing will then be made available to the Term Borrowers by the Administrative Agent crediting such account or by wire transfer as is designated in writing to the Administrative Agent by the Borrower Representative (or as otherwise directed by the Borrower Representative), with the aggregate of the amounts made available to the Administrative Agent by the Term Lenders and in like funds as received by the Administrative Agent.
2.3 Repayment of Term Loans.

(a) The principal amount of the Initial Term Loans of each Term Lender shall be repaid by the Term Borrowers (i) on the last Business Day of each March, June, September and December (commencing on March 31, 2020), in an amount equal to 0.25% of the aggregate Outstanding Amount of the Initial Term Loans on the Closing Date (including New Term Loans) on the Incremental Amendment Effective Date (which payments shall be reduced as a result of the application of prepayments in accordance with the order of priority set forth in Section 2.17(b)) and (ii) on the Term Loan Maturity Date, in an amount equal to the aggregate Outstanding Amount on such date, together in each case with accrued and unpaid interest on the principal amount to be paid to but excluding the date of such payment.

(b) To the extent not previously paid, (i) each Incremental Term Loan shall be due and payable on the Incremental Term Loan Maturity Date applicable to such Incremental Term Loan, (ii) each Other Term Loan shall be due and payable on the maturity date thereof as set forth in the Refinancing Amendment applicable thereto and (iii) each Extended Term Loan shall be due and payable on the maturity date thereof as set forth in the Permitted Amendment applicable thereto together, in each case, with accrued and unpaid interest on the principal amount to be paid to but excluding the date of payment.

(c) The Obligations of the Term Borrowers as Borrowers of the Term Loans, whether on account of principal, interest, fees or otherwise, are joint and several.

(d) For the avoidance of doubt, effective as of the Incremental Amendment Effective Date, (i) the New Term Loans made on the Incremental Amendment Effective Date in accordance with the Incremental Facility Agreement shall constitute for all purposes of this Agreement, a Term Loan made pursuant to this Agreement; provided that, pursuant to the Incremental Facility Amendment, the New Term Loans shall constitute “Initial Term Loans” for all purposes of this Agreement and all provisions of this Agreement applicable to Initial Term Loans shall be applicable to the New Term Loans, (ii) the New Term Commitment shall constitute a “Term Commitment” for all purposes of this Agreement, and all provisions of this Agreement applicable to Term Commitments shall be applicable to the New Term Commitments and (iii) the Closing Date Term Loans and the New Term Loans (X) shall constitute Term Loans of the same Class for all purposes of this Agreement, (Y) shall mature and shall become due and payable on the Term Loan Maturity Date and (Z) shall be repaid in quarterly installments in accordance with Section 2.3(a).

2.4 Revolving Commitments.

(a) Subject to the terms and conditions hereof, each Revolving Lender severally agrees to make revolving credit loans ("Revolving Loans") to the Revolving Borrowers in Dollars or in one or more Alternative Currencies from time to time on any Business Day during the Revolving Commitment Period in an aggregate principal amount which, when added to such Lender’s Revolving Percentage of the sum of (i) the aggregate Outstanding Amount of L/C Obligations at such time and (ii) the aggregate Outstanding Amount of the Swingline Loans at such time, does not exceed the amount of such Lender’s Revolving Commitment. During the Revolving Commitment Period the Revolving Borrowers may use the Revolving Commitments by borrowing, repaying or prepaying the Revolving Loans in whole or in part, and reborrowing, all in accordance with the terms and conditions hereof. The Revolving Loans may from time to time be Eurocurrency Loans or, with respect to Revolving Loans denominated in Dollars, ABR Loans, as determined by the applicable Revolving Borrower and notified to the Administrative Agent in accordance with Sections 2.5 and 2.12.
The Revolving Borrowers shall repay all outstanding Revolving Loans on the Revolving Termination Date, together with accrued and unpaid interest on the Revolving Loans, to but excluding the date of payment.

2.5 Procedure for Borrowing of Revolving Loans. The Revolving Borrowers may borrow under the Revolving Commitments during the Revolving Commitment Period on any Business Day, provided that the Borrower Representative (on behalf of the Revolving Borrowers) shall give the Administrative Agent irrevocable notice (which notice must be received by the Administrative Agent prior to (a) 1:00 p.m. (New York City time), three Business Days prior to the requested Borrowing Date, in the case of Eurocurrency Loans denominated in Dollars, Euros, Swiss Francs or Sterling or 1:00 p.m. (New York City time), four Business Days prior to the requested Borrowing Date, in the case of Eurocurrency Loans denominated in Yen or Australian Dollars, or (b) 10:00 a.m. (New York City time), on the requested Borrowing Date, in the case of ABR Loans), specifying (i) the amount and Type of Revolving Loans to be borrowed, (ii) the currency in which the Revolving Loans to be borrowed are to be denominated, (iii) the requested Borrowing Date, (iv) in the case of Eurocurrency Loans, the respective amounts of each such Type of Loan and the respective lengths of the initial Interest Period therefor and (v) instructions for remittance of the applicable Loans to be borrowed; provided, however, that if the Borrower Representative (on behalf of the Revolving Borrowers) wishes to request Eurocurrency Loans having an Interest Period other than one, two, three or six months in duration as provided in the definition of “Interest Period,” the applicable notice must be received by the Administrative Agent not later than 11:00 a.m. (New York City time) seven Business Days prior to the requested date of such Borrowing, whereupon the Administrative Agent shall give prompt notice to the Lenders of such request and determine whether the requested Interest Period is acceptable to all of them. Not later than 11:00 a.m. (New York City time) four Business Days before the requested date of such Borrowing, in the case of Eurocurrency Loans denominated in Dollars, Euros, Swiss Francs or Sterling, or five Business Days before the requested date of such Borrowing, in the case of Eurocurrency Loans denominated in Yen or Australian Dollars, the Administrative Agent shall notify the Borrower Representative (on behalf of the Revolving Borrowers) (which notice may be by telephone) whether or not the requested Interest Period has been consented to by all the Lenders. Each borrowing under the Revolving Commitments shall be in an amount equal to (x) in the case of ABR Loans, $1,000,000 or a whole multiple of $500,000 in excess thereof (or, if the then aggregate Available Revolving Commitments of the Lenders are less than $1,000,000, such lesser amount) and (y) in the case of Eurocurrency Loans, (1) if denominated in Dollars, $1,000,000 or a whole multiple of $500,000 in excess thereof or (2) if denominated in an Alternative Currency, the Dollar Amount of €1,000,000 or a whole multiple of the Dollar Amount of €500,000 in excess thereof; provided that the Swingline Lender may request, on behalf of the Revolving Borrowers, borrowings under the Revolving Commitments that are ABR Loans in other amounts pursuant to Section 2.7. Upon receipt of any such notice from the Borrower Representative, the Administrative Agent shall promptly notify each Revolving Lender thereof. Each Revolving Lender will make the amount of its pro rata share of each borrowing available to the Administrative Agent at the Administrative Agent’s Office for the applicable currency for the account of the Revolving Borrower designated in the applicable notice of Borrowing prior to 1:00 p.m. (New York City time) for Borrowings denominated in Dollars and prior to 8:00 a.m. (New York City time) for Borrowings denominated in an Alternative Currency on the Borrowing Date requested by the applicable Revolving Borrower in funds immediately available to the Administrative Agent. Such borrowing will then be made available to the applicable Revolving Borrower by the Administrative Agent crediting such account or by wire transfer as is designated in writing to the Administrative Agent by the Borrower Representative (on behalf of the applicable Revolving Borrower), with the aggregate of the amounts made available to the Administrative Agent by the Revolving Lenders and in like funds as received by the Administrative Agent.
2.6 Swingline Commitment.

(a) Subject to the terms and conditions hereof and in reliance upon the agreements of the other Lenders set forth in this Section 2.6, the Swingline Lender agrees to make a portion of the credit otherwise available to the Revolving Borrowers under the Revolving Commitments from time to time during the Revolving Commitment Period by making swingline loans in Dollars ("Swingline Loans") to the Revolving Borrowers; provided that (i) the aggregate Outstanding Amount of Swingline Loans at any time shall not exceed the Swingline Commitment then in effect (notwithstanding that the aggregate Outstanding Amount of Swingline Loans at any time, when aggregated with the Outstanding Amount of the Swingline Lender’s other Revolving Loans, may exceed the Swingline Commitment then in effect), (ii) the Revolving Borrowers shall not request, and the Swingline Lender shall not make, any Swingline Loan if, after giving effect to the making of such Swingline Loan, the aggregate amount of the Available Revolving Commitments of the Lenders would be less than zero and (iii) no Revolving Borrower shall use the proceeds of any Swingline Loan to refinance any outstanding Swingline Loan (whether borrowed by it or another Revolving Borrower). During the Revolving Commitment Period, the Revolving Borrowers may use the Swingline Commitment by borrowing, repaying and reborrowing, all in accordance with the terms and conditions hereof. Swingline Loans shall be ABR Loans only. Immediately upon the making of a Swingline Loan, each Revolving Lender shall be deemed to, and hereby irrevocably and unconditionally agrees to, purchase from the Swingline Lender a risk participation in such Swingline Loan (each a “Swingline Participation”) in an amount equal to the product of such Revolving Lender’s Revolving Percentage of such Swingline Loan.

(b) The Revolving Borrowers shall repay to the Swingline Lender the then unpaid principal amount of each Swingline Loan on the earliest to occur of (i) the date ten Business Days after such Loan is made and (ii) the Revolving Termination Date.

2.7 Procedure for Swingline Borrowing; Refunding of Swingline Loans.

(a) Swingline Borrowings. Whenever a Revolving Borrower desires that the Swingline Lender make a Swingline Loan, the Borrower Representative (on behalf of the applicable Revolving Borrower) shall give the Swingline Lender irrevocable facsimile notice (which facsimile notice must be received by the Swingline Lender not later than 1:00 p.m. (New York City time) on the proposed Borrowing Date) confirmed promptly in writing substantially in the form of Exhibit L or such other form as approved by the Administrative Agent (including any form on an electronic platform or electronic transmission system as shall be approved by the Administrative Agent) (a “Swingline Loan Notice”), appropriately completed and signed by a Responsible Officer of the Borrower Representative, specifying (i) the amount to be borrowed and (ii) the requested Borrowing Date (which shall be a Business Day during the Revolving Commitment Period). Promptly after receipt by the Swingline Lender of any Swingline Loan Notice, the Swingline Lender will confirm with the Administrative Agent (by telephone or in writing) that the Administrative Agent has also received such Swingline Loan Notice and, if not, the Swingline Lender will notify the Administrative Agent (by telephone or in writing) that the Administrative Agent has also received such Swingline Loan Notice and, if not, the Swingline Lender will notify the Administrative Agent (by telephone or in writing) of the contents thereof. Each borrowing under the Swingline Commitment shall be in an amount equal to $1,000,000 or a whole multiple of $500,000 in excess thereof. Unless the Swingline Lender has received notice (by telephone or in writing) from the Administrative Agent (including at the request of any Revolving Lender) prior to 2:00 p.m. on the date of the proposed Swingline Borrowing (A) directing the Swingline Lender not to make such Swingline Loan as a result of the limitations set forth in the first proviso to the first sentence of Section 2.6(a), or (B) that one or more of the applicable conditions specified in Section 5.2 is not then satisfied, then, subject to the terms and conditions hereof, the Swingline Lender will, not later than 3:00 p.m. on the borrowing date specified in such Swingline Loan Notice, make the amount of its Swingline Loan available to the Borrower Representative (or the applicable Revolving Borrower specified in the notice of Borrowing) in an amount in immediately available funds equal to the amount of the Swingline Loan to be made by the Swingline Lender by crediting such account on the books of the Swingline Lender in immediately available funds or by wire transfer as is designated in writing to the Swingline Lender by the Borrower Representative.
(b) **Refinancing of Swingline Loans.**

(i) The Swingline Lender at any time in its sole and absolute discretion may request, on behalf of the Borrower Representative (which hereby irrevocably authorizes the Swingline Lender to so request on its behalf), that each Revolving Lender make an ABR Revolving Loan to the Borrower Representative in an amount equal to such Revolving Lender’s Revolving Percentage of the amount of all Swingline Loans then outstanding. Such request shall be made in writing (which written request shall be deemed to be a Borrowing Request for purposes hereof) and in accordance with the requirements of Section 2.4, without regard to the minimum and multiples specified therein for the principal amount of ABR Loans, but subject to the unutilized portion of the Revolving Commitments and the conditions set forth in Section 5.2. The Swingline Lender shall furnish the Borrower Representative with a copy of the applicable Borrowing Request promptly after delivering such notice to the Administrative Agent. Each Revolving Lender shall make an amount equal to its Revolving Percentage of the amount specified in such Borrowing Request available to the Administrative Agent in immediately available funds (and the Administrative Agent may apply Cash Collateral available with respect to the applicable Swingline Loan) for the account of the Swingline Lender at the Administrative Agent’s office not later than 1:00 p.m. on the day specified in such Borrowing Request, whereupon, subject to Section 2.7(b)(ii), each Revolving Lender that so makes funds available shall be deemed to have made an ABR Loan to the applicable Borrower in such amount. The Administrative Agent shall remit the funds so received to the Swingline Lender.

(ii) If for any reason the Swingline Loan cannot be refinanced by such a Revolving Loan in accordance with Section 2.7(b)(i), the request for ABR Loans submitted by the Swingline Lender as set forth herein shall be deemed to be a request by the Swingline Lender that each of the Revolving Lenders fund its Swingline Participation in the relevant Swingline Loans, and each Revolving Lender’s payment to the Administrative Agent for the account of the Swingline Lender pursuant to Section 2.7(b)(i) shall be deemed payment in respect of each such Revolving Lender’s Swingline Participations in the Outstanding Amount of all Swingline Loans.
(iii) If any Revolving Lender fails to make available to the Administrative Agent for the account of the Swingline Lender any amount required to be paid by such Lender pursuant to the foregoing provisions of this Section 2.7(b) by the time specified in Section 2.7(b)(i), the Swingline Lender shall be entitled to recover from such Lender (acting through the Administrative Agent), on demand, such amount with interest thereon for the period from the date such payment is required to the date on which such payment is immediately available to the Swingline Lender at a rate per annum equal to the greater of the Federal Funds Rate and a rate determined by the Swingline Lender in accordance with banking industry rules on interbank compensation, plus any administrative, processing or similar fees customarily charged by the Swingline Lender in connection with the foregoing. If such Lender pays such amount (with interest and fees as aforesaid), the amount so paid shall constitute such Lender’s Revolving Loan included in the relevant Revolving Loan or funded Swingline Participation in the relevant Swingline Loan, as the case may be. A certificate of the Swingline Lender submitted to any Lender (through the Administrative Agent) with respect to any amounts owing under this clause (iii) shall be conclusive absent manifest error.

(iv) Each Revolving Lender’s obligation to make Revolving Loans or to purchase and fund its Swingline Participations in Swingline Loans pursuant to this Section 2.7(b) shall be absolute and unconditional and shall not be affected by any circumstance, including (A) any setoff, counterclaim, recoupment, defense or other right which such Lender may have against the Swingline Lender, any Borrower or any other Person for any reason whatsoever, (B) the occurrence or continuance of a Default, or (C) any other occurrence, event or condition, whether or not similar to any of the foregoing; provided, however, that each Revolving Lender’s obligation to make Revolving Loans pursuant to this Section 2.7(b) is subject to the conditions set forth in Section 5.2. No such funding of Swingline Participations shall relieve or otherwise impair the obligation of the applicable Borrower to repay Swingline Loans, together with interest as provided herein.
(c) **Repayment of Swingline Participations.**

(i) At any time after any Revolving Lender has purchased and funded its Swingline Participations in one or more Swingline Loans, if the Swingline Lender receives any payment on account of such Swingline Loan, the Swingline Lender will distribute to such Revolving Lender its Revolving Percentage thereof in the same funds as those received by the Swingline Lender.

(ii) If any payment received by the Swingline Lender in respect of principal or interest on any Swingline Loan is required to be returned by the Swingline Lender (including pursuant to any settlement entered into by the Swingline Lender in its discretion), each Revolving Lender shall pay to the Swingline Lender its Revolving Percentage thereof on demand of the Administrative Agent, plus interest thereon from the date of such demand to the date such amount is returned, at a rate per annum equal to the Federal Funds Rate. The Administrative Agent will make such demand upon the request of the Swingline Lender. The obligations of the Lenders under this clause shall survive the payment in full of the Obligations and the termination of this Agreement.

(d) **Interest for the Account of the Swingline Lender.** The Swingline Lender shall be responsible for invoicing the Borrowers for interest on the Swingline Loans. Until each Revolving Lender funds its Revolving Loan or risk participation pursuant to this Section 2.7 to fund its Swingline Participations, interest in respect of such Revolving Percentage shall be solely for the account of the Swingline Lender.

(e) **Payments Directly to the Swingline Lender.** The Borrowers shall make all payments of principal and interest in respect of the Swingline Loans directly to the Swingline Lender.

(f) **Revolving Defaulting Lenders.** Notwithstanding anything to the contrary contained in Sections 2.6 and 2.7 or elsewhere in this Agreement, (i) the Swingline Lender shall not be obligated to make any Swingline Loan at a time when a Revolving Lender is a Defaulting Lender unless the Swingline Lender has entered into arrangements reasonably satisfactory to it and the Borrower Representative to eliminate the Swingline Lender’s risk with respect to the Defaulting Lender’s or Defaulting Lenders’ participation in such Swingline Loans, including by cash collateralizing such Defaulting Lender’s or Defaulting Lenders’ Pro Rata Share of the aggregate Outstanding Amount of Swingline Loans at such time and (ii) the Swingline Lender shall not make any Swingline Loan after it has received written notice from any Borrower, any other Loan Party or the Required Lenders stating that a Default or an Event of Default exists and is continuing until such time as the Swingline Lender shall have received written notice (A) of rescission of all such notices from the party or parties originally delivering such notice or notices or (B) of the waiver of such Default or Event of Default in accordance with Section 11.1.
2.8 Commitment Fees, etc.

(a) The Revolving Borrowers agree to pay to the Administrative Agent for the account of each Revolving Lender, in accordance with its Revolving Percentage, a commitment fee (the “Commitment Fee”) equal to the Commitment Fee Rate times the actual daily unutilized amount of the Total Revolving Commitments, subject to adjustment as provided in Section 2.25. The Commitment Fee shall accrue at all times during the Revolving Commitment Period, including at any time during which one or more of the conditions in Section 5 is not satisfied, and shall be due and payable in arrears on each applicable Fee Payment Date. The Commitment Fee shall be calculated quarterly in arrears, and if there is any change in the Commitment Fee Rate during any quarter, the actual daily amount shall be computed and multiplied by the Commitment Fee Rate separately for each period during such quarter that such Commitment Fee Rate was in effect.

(b) The Borrowers agree to pay to the Administrative Agent and the Joint Lead Arrangers (and their respective affiliates) and the Incremental Facility Arrangers (and their respective affiliates) the fees in the amounts and on the dates set forth in any fee agreements (including the Fee Letter) with such Persons and to perform any other obligations contained therein.

2.9 Termination or Reduction of Revolving Commitments. The Borrower Representative (on behalf of the Revolving Borrowers) shall have the right, upon not less than two Business Days’ notice (to the extent there are no Revolving Loans outstanding at such time) or not less than three Business Days’ notice (in any other case) to the Administrative Agent, to terminate the Revolving Commitments or, from time to time, to reduce the amount of the Revolving Commitments. Any termination or reduction of Revolving Commitments pursuant to this Section 2.9 shall be accompanied by prepayment of the Revolving Loans and/or Swingline Loans to the extent, if any, that the Total Revolving Extensions of Credit exceed the amount of the Total Revolving Commitments as so reduced; provided that if the aggregate Outstanding Amount of Revolving Loans and Swingline Loans at such time is less than the amount of such excess (because L/C Obligations constitute a portion thereof), the Borrower Representative shall, to the extent of the balance of such excess, Collateralize outstanding Letters of Credit, in each case, in a manner reasonably satisfactory to the Administrative Agent. Any such reduction shall be in an amount equal to $1,000,000 or a whole multiple thereof or, if less than $1,000,000, the amount of the Revolving Commitments, or a whole multiple thereof, and shall reduce permanently the Revolving Commitments then in effect; provided, further, that if any such notice of termination of the Revolving Commitments indicates that such termination is to be made in connection with a Refinancing of the Facilities or in connection with the consummation of any other event, such notice of termination may be revoked if such Refinancing or other event is not consummated and any Eurocurrency Loan denominated in Dollars that was the subject of such notice shall be continued as an ABR Loan. Each prepayment of the Loans under this Section 2.9 (except in the case of Revolving Loans that are ABR Loans (to the extent all Revolving Loans are not being prepaid) and Swingline Loans) shall be accompanied by accrued interest to the date of such prepayment on the amount prepaid.

2.10 Optional Prepayments.

(a) The Borrowers may at any time and from time to time prepay the Loans, in whole or in part, in each case, without premium or penalty, upon irrevocable notice, substantially in the form of Exhibit E or such other form as may be approved by the Administrative Agent (including any form on an electronic platform or electronic transmission system as shall be approved by the Administrative Agent), appropriately completed and signed by a Responsible Officer of the Borrower Representative (on behalf of the Borrowers), which notice must be received by the Administrative Agent no later than 1:00 p.m. (New York City time) three Business Days prior to the prepayment date, in the case of Eurocurrency Loans denominated in Dollars, Euros, Swiss Francs or Sterling or 1:00 p.m. (New York City time) four Business Days prior to the prepayment date, in the case of Eurocurrency Loans denominated in Yen or Australian Dollars, and no later than 1:00 p.m. (New York City time) on the prepayment date, in the case of ABR Loans, provided that if a Eurocurrency Loan is prepaid on any day other than the last day of the Interest Period applicable thereto, the Borrowers shall also pay any amounts owing pursuant to Section 2.21; provided, further, that if such notice of prepayment indicates that such prepayment is to be funded with the proceeds of a Refinancing of the Facilities or is conditioned upon the consummation of any other transaction or event, such notice of prepayment may be revoked if such Refinancing or other transaction or event is not consummated and any Eurocurrency Loan denominated in Dollars that was the subject of such notice shall be continued as an ABR Loan. Upon receipt of any such notice the Administrative Agent shall promptly notify each relevant Lender thereof. If any such notice is given, the amount specified in such notice shall be due and payable on the date specified therein, together with (except in the case of Revolving Loans that are ABR Loans and Swingline Loans, other than in connection with a repayment of all Loans) accrued interest to such date on the amount prepaid. Partial prepayments of Term Loans and Revolving Loans shall be in an aggregate principal amount of (x) in the case of ABR Loans, $1,000,000 or a whole multiple of $500,000 in excess thereof, (y) in the case of Eurocurrency Loans denominated in Dollars, $1,000,000 or a whole multiple of $500,000 in excess thereof and (z) in the case of Eurocurrency Loans denominated in an Alternative Currency, the Dollar Amount of $1,000,000 or a whole multiple of the Dollar Amount of $500,000 in excess thereof. Partial prepayments of Swingline Loans shall be in an aggregate principal amount of $1,000,000 or a whole multiple of $500,000 in excess thereof.
(b) Notwithstanding anything herein to the contrary, in the event that, on or prior to the date that is six months after the Closing Date, any Borrower (x) makes any prepayment of Initial Term Loans with the proceeds of any Repricing Transaction described under clause (i) of the definition of Repricing Transaction, or (y) effects any amendment of this Agreement resulting in a Repricing Transaction under clause (ii) of the definition of Repricing Transaction, the Borrowers shall on the date of such prepayment or amendment, as applicable, pay to each Lender (I) in the case of such clause (x), 1.00% of the principal amount of the Initial Term Loans so prepaid and (II) in the case of such clause (y), 1.00% of the aggregate amount of the Initial Term Loans affected by such Repricing Transaction and outstanding on the effective date of such amendment (a “Repricing Premium”).

2.11 Mandatory Prepayments and Commitment Reductions.

(a) If any Indebtedness shall be incurred by any Group Member (other than any Indebtedness permitted to be incurred by any such Person in accordance with Section 7.2), concurrently with, and as a condition to closing of such transaction, an amount equal to 100% of the Net Cash Proceeds thereof shall be applied on the date of such issuance or incurrence toward the prepayment of the Term Loans as set forth in clause (g) of this Section 2.11.

(b) Subject to clauses (d) and (i) of this Section 2.11, if, for any Excess Cash Flow Period, there shall be Excess Cash Flow, an amount equal to (i) the ECF Percentage for such period of such Excess Cash Flow over (ii) in each case at the option of the Borrower Representative and to the extent not funded with (x) the proceeds of Indebtedness constituting “long term indebtedness” (or a comparable caption) under GAAP (other than Indebtedness in respect of any revolving credit facility) or (y) the proceeds of Permitted Cure Securities applied pursuant to Section 9.4, the aggregate amount of (1) all Purchases by any Permitted Auction Purchaser (determined as the par value of the Loans purchased by such Permitted Auction Purchaser) pursuant to a Dutch Auction or open market purchase permitted hereunder, (2) voluntary prepayments of Term Loans and Revolving Loans (but, in the case of Revolving Loans, only to the extent of a concurrent and permanent reduction in the Revolving Commitments), (3) optional prepayments, purchases and redemptions and buybacks (with credit given to the par value of the loans or notes repurchased) by UK Holdco and the Restricted Subsidiaries of other Indebtedness that is secured by a Lien ranking pari passu (determined without regard to the control of remedies) with the Lien securing the Obligations (but, in the case of revolving indebtedness, only to the extent of a concurrent and permanent reduction in the revolving commitments), (4) payments by UK Holdco and the Restricted Subsidiaries in cash on account of Capital Expenditures, (5) payments by UK Holdco and the Restricted Subsidiaries in cash on account of acquisitions or other Investments permitted hereunder (including any earn-out payments) and (6) Restricted Payments made in cash pursuant to Section 7.3(a), (b)(iv), (b)(v), (b)(vi), (b)(viii), (b)(x), (b)(xii), (b)(xiii), (b)(xv) and (b)(xvi), in each case, made during, or committed to be made within 12 months of the end of, the Excess Cash Flow Period (provided, however, that if any payment committed to be made is not actually made in cash within such period, such amount shall be added back to Excess Cash Flow for the subsequent Excess Cash Flow Period) or, at the option of the Borrower Representative, after the Excess Cash Flow Period and prior to the Excess Cash Flow Application Date, shall be applied toward the prepayment of the Term Loans as set forth in clause (g) of this Section 2.11, provided that no such prepayment shall be made if the Excess Cash Flow for any Excess Cash Flow Period is less than $10,000,000 (and, if Excess Cash Flow exceeds such amount, only such excess shall be subject to prepayment). Each such prepayment shall be made on a date (an “Excess Cash Flow Application Date”) no later than 10 Business Days after the date on which the financial statements of UK Holdco referred to in Section 6.1(a), for the fiscal year with respect to which such prepayment is made, are required to be delivered to the Lenders.
(c) Subject to clauses (d) and (i) of this Section 2.11, if, on any date, UK Holdco or any Restricted Subsidiary shall receive Net Cash Proceeds from any Asset Sale or any Recovery Event in excess of (i) the greater of $2,000,000 and 0.7% of Consolidated EBITDA as of the most recently ended Reference Period in any single transaction or series of related transactions and (ii) with respect to all other Net Cash Proceeds not excluded pursuant to the preceding clause (i), the greater of $5,000,000 and 1.6% of Consolidated EBITDA as of the most recently ended Reference Period for all such Net Cash Proceeds in any fiscal year, then, unless the Borrower Representative has determined in good faith that such Net Cash Proceeds shall be reinvested in its business (a “Reinvestment Event”), an aggregate amount equal to 100% of such Net Cash Proceeds shall be applied within five Business Days of such date to prepay outstanding Term Loans in accordance with this Section 2.11; provided that, notwithstanding the foregoing, on each Reinvestment Prepayment Date, an amount equal to the Reinvestment Prepayment Amount with respect to any Asset Sale or Recovery Event, shall be applied to prepay the outstanding Term Loans as set forth in Section 2.11(g).

(d) Notwithstanding anything to the contrary in this Agreement (including clauses (b) and (c) above), to the extent that the Borrower Representative has determined in good faith that (i) any of or all the Net Cash Proceeds of any Asset Sale or Recovery Event by a Subsidiary or Excess Cash Flow attributable to Subsidiaries (or branches of Subsidiaries) are prohibited or delayed by applicable local law from being repatriated to the relevant Borrower(s) (including as a result of financial assistance and corporate benefit restrictions and fiduciary and statutory duties of the relevant directors), (ii) such repatriation would present a material risk of liability for the applicable Subsidiary or its directors or officers (or gives rise to a material risk of breach of fiduciary or statutory duties by any director or officers) or (iii) in the case of Foreign Subsidiaries, such repatriation or any distribution of the relevant amounts would reasonably be expected to result in material adverse Tax consequences, the portion of such Net Cash Proceeds or Excess Cash Flow so affected will not be required to be applied to repay Loans at the times set forth in this Section 2.11 but may be retained by the applicable Subsidiary or branch (the Borrowers hereby agreeing to cause the applicable Subsidiary or branch to promptly take commercially reasonable actions to permit such repatriation without violating applicable local law or incurring material adverse Tax consequences); provided, that for a period of 360 days from receipt of such Net Cash Proceeds, if such repatriation becomes permitted under such applicable local law, would not present a material risk as described in clause (ii) above, or no such material adverse Tax consequences would result from such distribution, as the case may be, such distribution will be promptly effected and such distributed Net Cash Proceeds will be promptly (and in any event not later than 10 Business Days after such distribution) applied (net of additional Taxes payable or reserved against as a result thereof) to the repayment of Term Loans pursuant to this Section 2.11.
In the event the aggregate Outstanding Amount of Revolving Loans, L/C Obligations and Swingline Loans at any time exceeds (the “Revolving Excess”) the Total Revolving Commitments then in effect, the Revolving Borrowers shall immediately (or, if such Revolving Excess results solely from a Recalculation, within 2 Business Days) repay Swingline Loans and Revolving Loans and Collateralize Letters of Credit to the extent necessary to remove such Revolving Excess.

The Borrower Representative shall deliver to the Administrative Agent notice, substantially in the form of Exhibit E or such other form as may be approved by the Administrative Agent (including any form on an electronic platform or electronic transmission system as shall be approved by the Administrative Agent), appropriately completed and signed by a Responsible Officer of the Borrower Representative (on behalf of the Borrowers), of each prepayment required under this Section 2.11, which notice must be received by the Administrative Agent not less than three Business Days (or such shorter time as the Administrative Agent shall reasonably agree) prior to the date such prepayment shall be made. The Administrative Agent will promptly notify each applicable Lender of such notice. Each such Lender may reject all of its Pro Rata Share of any prepayment pursuant to clause (b) or (c) above (such declined amounts, the “Declined Proceeds”) by providing written notice (each, a “Rejection Notice”) to the Administrative Agent and the Borrower Representative no later than 12:00 p.m. (New York City time), two Business Days after the date of such Lender’s receipt of such notice from the Administrative Agent. If a Lender fails to deliver a Rejection Notice to the Administrative Agent within the time frame specified above such failure will be deemed an acceptance of such prepayment. Any Declined Proceeds may be retained by the Borrowers (such retained amount, the “Retained Declined Proceeds”). The Borrower Representative shall deliver to the Administrative Agent, at the time of each prepayment required under this Section 2.11, an Officer’s Certificate setting forth in reasonable detail the calculation of the amount of such prepayment.

Amounts to be applied in connection with any mandatory prepayments made pursuant to this Section 2.11 shall be applied to the prepayment of the Term Loans in accordance with Section 2.17(b). The application of any prepayment of Loans pursuant to this Section 2.11 shall be made on a pro rata basis regardless of Type. Each prepayment of the Loans under this Section 2.11 (except in the case of Revolving Loans that are ABR Loans (to the extent all Revolving Loans are not being prepaid) and Swingline Loans) shall be accompanied by accrued interest to the date of such prepayment on the amount prepaid.
(h) Notwithstanding any of the other provisions of this Section 2.11, if any prepayment of Eurocurrency Loans is required to be made under this Section 2.11 other than on the last day of the Interest Period applicable thereto, the applicable Borrower may, in its sole discretion, deposit the amount of any such prepayment otherwise required to be made thereunder with the Administrative Agent, to be held as security for the obligations of the applicable Borrower to make such prepayment pursuant to a cash collateral agreement to be entered into on terms reasonably satisfactory to the Administrative Agent until the last day of such Interest Period, at which time the Administrative Agent shall be authorized (without any further action by or notice to or from any Borrower or any other Loan Party) to apply such amount to the prepayment of such Eurocurrency Loans in accordance with this Section 2.11 (determined as of the date such prepayment was required to be originally made); provided that such unpaid Eurocurrency Loans shall continue to bear interest in accordance with Section 2.15 until such unpaid Eurocurrency Loans have been prepaid. Upon the occurrence and during the continuance of any Event of Default, the Administrative Agent shall also be authorized (without any further action by or notice to or from any Borrower or any other Loan Party) to apply such amount to the prepayment of the applicable Eurocurrency Loans in accordance with this Section 2.11 (determined as of the date such prepayment was required to be originally made). Notwithstanding anything to the contrary contained in this Agreement, any amounts held by the Administrative Agent pursuant to this clause (h) pending application to any Eurocurrency Loans shall be held and applied to the satisfaction of such Eurocurrency Loans prior to any other application of such property as may be provided for herein.

(i) Notwithstanding the foregoing provisions of this Section 2.11, at the Borrower Representative’s option, outstanding Indebtedness that is secured by the Collateral on a pari passu basis (determined without regard to the control of remedies) with the Obligations hereunder ("Other Applicable Indebtedness") may share, on the terms set forth below, in any mandatory prepayment of the Term Loans pursuant to Section 2.11(b) and/or (c), and the amount of any such prepayment required to be made hereunder shall be reduced accordingly. Any Net Cash Proceeds or Excess Cash Flow may be applied to Other Applicable Indebtedness only to (and not in excess of) the extent to which a mandatory prepayment in respect of such Asset Sale, Recovery Event or Excess Cash Flow is required under the terms of such Other Applicable Indebtedness (with any remaining Net Cash Proceeds or Excess Cash Flow applied to prepay outstanding Term Loans in accordance with the terms hereof), unless such application would result in the holders of Other Applicable Indebtedness receiving in excess of their pro rata share (determined on the basis of the aggregate Outstanding Amount of Term Loans and Other Applicable Indebtedness at such time) of such Net Cash Proceeds relative to Term Lenders, in which case such Net Cash Proceeds may only be applied to Other Applicable Indebtedness on a pro rata basis with outstanding Term Loans. To the extent the holders of Other Applicable Indebtedness decline to have such indebtedness repurchased, repaid or prepaid with any such Net Cash Proceeds or Excess Cash Flow, the declined amount of such Net Cash Proceeds or Excess Cash Flow shall promptly (and, in any event, within 10 Business Days after the date of such rejection) be applied to prepay Term Loans in accordance with the terms hereof (to the extent such Net Cash Proceeds or Excess Cash Flow would otherwise have been required to be applied if such Other Applicable Indebtedness was not then outstanding).
2.12 Conversion and Continuation Options.

(a) The Borrower Representative may elect from time to time to convert Eurocurrency Loans denominated in Dollars to ABR Loans by giving the Administrative Agent prior irrevocable notice of such election telephonically (provided that each telephonic notice is confirmed promptly in writing), substantially in the form of Exhibit H or such other form as approved by the Administrative Agent (including any form on an electronic platform or electronic transmission system as shall be approved by the Administrative Agent), appropriately completed and signed by a Responsible Officer of the Borrower Representative (on behalf of the Borrowers), no later than 1:00 p.m. (New York City time), three Business Days prior to the proposed conversion date; provided that any such conversion of Eurocurrency Loans may only be made on the last day of an Interest Period with respect thereto. The Borrower Representative may elect from time to time to convert ABR Loans to Eurocurrency Loans by giving the Administrative Agent prior irrevocable notice of such election telephonically (provided that each telephonic notice is confirmed promptly in writing), substantially in the form of Exhibit H or such other form as approved by the Administrative Agent (including any form on an electronic platform or electronic transmission system as shall be approved by the Administrative Agent), appropriately completed and signed by a Responsible Officer of the Borrower Representative (on behalf of the Borrowers), no later than 1:00 p.m. (New York City time), on the third Business Day preceding the proposed conversion date (which notice shall specify the length of the initial Interest Period therefor); provided, however, that if the Borrower Representative wishes to request Eurocurrency Loans having an Interest Period other than one, two, three or six months in duration as provided in the definition of “Interest Period,” the applicable notice must be received by the Administrative Agent not later than 11:00 a.m. (New York City time) seven Business Days prior to the requested date of such Borrowing conversion, whereupon the Administrative Agent shall give prompt notice to the Lenders of such request and determine whether the requested Interest Period is acceptable to all of them. Not later than 11:00 a.m. (New York City time), four Business Days before the requested date of such Borrowing conversion, the Administrative Agent shall notify the Borrower Representative (which notice may be by telephone) whether or not the requested Interest Period has been consented to by all the Lenders; provided, further that, upon notice from the Administrative Agent to the Borrower Representative at the direction of the Required Lenders, no ABR Loan may be converted into a Eurocurrency Loan when any Event of Default has occurred and is continuing. Upon receipt of any such notice the Administrative Agent shall promptly notify each relevant Lender thereof.

(b) Any Eurocurrency Loan may be continued as such upon the expiration of the then current Interest Period with respect thereto by the Borrower Representative (on behalf of the Borrowers) giving irrevocable notice to the Administrative Agent telephonically (provided that each telephonic notice is confirmed promptly in writing), substantially in the form of Exhibit H or such other form as approved by the Administrative Agent (including any form on an electronic platform or electronic transmission system as shall be approved by the Administrative Agent), appropriately completed and signed by a Responsible Officer of the Borrower Representative, no later than 12:00 p.m. (New York City time) on the third Business Day preceding the proposed continuation date in the case of Eurocurrency Loans denominated in Dollars, Euros, Swiss Francs or Sterling or 12:00 p.m. (New York City time) on the fourth Business Day preceding the proposed continuation date, in the case of Eurocurrency Loans denominated in Yen or Australian Dollars; provided, however, that if the Borrower Representative wishes to request Eurocurrency Loans having an Interest Period other than one, two, three or six months in duration as provided in the definition of “Interest Period,” the applicable notice must be received by the Administrative Agent not later than 11:00 a.m. (New York City time) seven Business Days prior to the requested date of such Borrowing continuation, whereupon the Administrative Agent shall give prompt notice to the Lenders of such request and determine whether the requested Interest Period is acceptable to all of them. Not later than 11:00 a.m. (New York City time), four Business Days before the requested date of such Borrowing continuation, in the case of Eurocurrency Loans denominated in Dollars, Euros, Swiss Francs or Sterling at 11:00 p.m. (New York City time) four Business Days before the requested date of such Borrowing continuation, in the case of Eurocurrency Loans denominated in Yen or Australian Dollars, the Administrative Agent shall notify the Borrower Representative (which notice may be by telephone) whether or not the requested Interest Period has been consented to by all the Lenders; provided, further that, to the extent the Required Lenders provide written notice thereof to the Borrower Representative, no Eurocurrency Loan may be continued as such when any Event of Default has occurred and is continuing; provided, further, that with respect to Eurocurrency Loans denominated in Dollars, if continuation is not permitted pursuant to the preceding proviso, such Loans shall be automatically converted to ABR Loans on the last day of such then expiring Interest Period. Upon receipt of any such notice the Administrative Agent shall promptly notify each relevant Lender thereof.

107
If the Borrower Representative fails to give a timely notice requesting continuation or conversion from one Type of Loan to another, then the applicable Loans shall, subject to the final proviso to the preceding clause (b), be (i) in the case of ABR Loans, continued as ABR Loans or (ii) in the case of Eurocurrency Loans, continued as Eurocurrency Loans with an Interest Period of one month.

2.13 Limitations on Eurocurrency Tranches. Notwithstanding anything to the contrary in this Agreement, all borrowings, conversions and continuations of Eurocurrency Loans and all selections of Interest Periods shall be in such amounts and be made pursuant to such elections so that, after giving effect thereto, (a) the aggregate principal amount of the Eurocurrency Loans denominated in Dollars comprising each Eurocurrency Tranche shall be equal to $5,000,000 or a whole multiple of $1,000,000 in excess thereof, (b) the aggregate principal amount of the Eurocurrency Loans denominated in an Alternative Currency comprising each Eurocurrency Tranche shall be equal to the Dollar Amount of €5,000,000 or a whole multiple of the Dollar Amount of €1,000,000 in excess thereof and (c) (i) in the case of Term Loans, no more than five Eurocurrency Tranches shall be outstanding at any one time and (ii) in the case of Revolving Loans, no more than 10 Eurocurrency Tranches shall be outstanding at any one time.

2.14 Interest Rates and Payment Dates.

(a) Each Eurocurrency Loan shall bear interest for each day during each Interest Period with respect thereto at a rate per annum equal to the Eurocurrency Rate determined for such day plus the Applicable Margin. Each Loan denominated in an Alternative Currency shall be a Eurocurrency Loan.

(b) Each ABR Loan shall bear interest at a rate per annum equal to the ABR plus the Applicable Margin.

(c) (i) If all or a portion of the principal amount of any Loan or Reimbursement Obligation shall not be paid when due (whether at the stated maturity, by acceleration or otherwise), such overdue amount shall bear interest at a rate per annum equal to the rate that would otherwise be applicable thereto pursuant to the foregoing provisions of this Section plus 2% and (ii) if all or a portion of (x) any interest payable on any Loan or Reimbursement Obligation, (y) any Commitment Fee or (z) any other amount payable hereunder or under any other Loan Document shall not be paid when due (whether at the stated maturity, by acceleration or otherwise), such overdue amount shall bear interest at a rate per annum equal to the rate then applicable to ABR Loans under the relevant Facility plus 2% (or, in the case of any such other amounts that do not relate to a particular Facility, the rate then applicable to ABR Loans under the Revolving Facility plus 2%), in each case, with respect to clauses (i) and (ii) above, from the date of such non-payment until such amount is paid in full (as well after as before judgment).

(d) Interest shall be payable in arrears on each Interest Payment Date, provided that interest accruing pursuant to Section 2.14 (c) shall be payable from time to time on demand.
(e) Interest on each Loan shall be payable in the currency in which each Loan was made.

2.15 Computation of Interest and Fees.

(a) Interest and fees payable pursuant hereto shall be calculated on the basis of a 360-day year for the actual days elapsed, except that, (i) with respect to Eurocurrency Loans denominated in Sterling, the interest thereon shall be calculated on the basis of a 365-day year and (ii) with respect to ABR Loans, the interest thereon shall be calculated on the basis of a 365-(or 366-, as the case may be) day year for the actual days elapsed or, in any case where the practice in the relevant market differs, in accordance with that market practice. The Administrative Agent shall as soon as practicable notify the Borrower Representative and the relevant Lenders of each determination of a Eurocurrency Rate. Any change in the interest rate on a Loan resulting from a change in the ABR or the Eurocurrency Reserve Percentage shall become effective as of the opening of business on the day on which such change becomes effective. The Administrative Agent shall as soon as practicable notify the Borrower Representative and the relevant Lenders of the effective date and the amount of each such change in interest rate. In computing interest on any Loan, the date of the making of such Loan or the first day of an Interest Period applicable to such Loan or, with respect to an ABR Loan being converted from a Eurocurrency Loan, the date of conversion of such Eurocurrency Loan to such ABR Loan, as the case may be, shall be included, and the date of payment of such Loan or the expiration date of an Interest Period applicable to such Loan or, with respect to an ABR Loan being converted to a Eurocurrency Loan, the date of conversion of such ABR Loan to such Eurocurrency Loan, as the case may be, shall be excluded; provided that if a Loan is repaid on the same day on which it is made, one day’s interest shall be paid on that Loan.

(b) Each determination of an interest rate by the Administrative Agent pursuant to any provision of this Agreement shall be conclusive and binding on the Borrowers and the Lenders in the absence of manifest error. The Administrative Agent shall, at the request of the Borrower Representative, deliver to the Borrower Representative a statement showing the quotations used by the Administrative Agent in determining any interest rate pursuant to Section 2.14(a).

2.16 Inability to Determine Interest Rate; Illegality.

(a) If prior to the first day of any Interest Period (i) the Administrative Agent or the Majority Facility Lenders in respect of the relevant Facility shall have determined (which determination shall be conclusive and binding upon the Borrowers) that, by reason of circumstances affecting the relevant market, adequate and reasonable means do not exist for ascertaining the Eurocurrency Rate for such Interest Period (and the circumstances described in Section 2.16(b) do not apply), or (ii) the Administrative Agent shall have received notice from the Majority Facility Lenders in respect of the relevant Facility that the Eurocurrency Rate determined or to be determined for such Interest Period will not adequately and fairly reflect the cost to such Lenders (as conclusively certified by such Lenders) of making or maintaining their affected Loans during such Interest Period, then the Administrative Agent shall give telecopy or telephonic notice thereof to the Borrower Representative and the relevant Lenders as soon as practicable thereafter. Thereafter, (x) the obligation of the Lenders to make or maintain Eurocurrency Loans in the affected currency or currencies shall be suspended and (y) in the event of a determination described in the preceding sentence with respect to the Eurocurrency component of the ABR, the utilization of the Eurocurrency Rate component in determining the ABR shall be suspended, in each case until the Administrative Agent (upon the instruction of the Majority Facility Lenders) revokes such notice. Upon receipt of such notice, the Borrower Representative (on behalf of the Borrowers) may revoke any pending request for a Borrowing of, conversion to or continuation of Eurocurrency Loans (to the extent of the affected Eurocurrency Loans or Interest Periods) or, failing that, (A) with respect to a pending request for Loans denominated in Dollars, the Borrower Representative will be deemed to have converted such request into a request for a Borrowing of ABR Loans (subject to the foregoing clause (y)) in the amount specified therein and (B) with respect to Loans denominated in any Alternative Currency, at the election of the Borrower Representative, (1) such request shall be converted into a request for a Borrowing of ABR Loans denominated in Dollars (subject to the foregoing clause (y)) in the Dollar Amount of the amount specified therein (and, in the case of any outstanding Eurocurrency Loans, regardless of whether such request is made, such Loans will automatically be deemed to be converted to ABR Loans denominated in Dollars in the Dollar Amount of such Loans at the end of the applicable Interest Period) or (2) the applicable Borrower shall repay such Eurocurrency Loans (to the extent outstanding) in full at the end of the applicable Interest Period; provided, however, that if no such election is made by the Borrower Representative within three days after receipt of such notice, the Borrower Representative shall be deemed to have elected clause (1) above.
(b) Notwithstanding anything to the contrary in this Agreement or any other Loan Document, if the Administrative Agent determines (which determination shall be conclusive absent manifest error), or the Borrower Representative or Required Lenders notify the Administrative Agent (with, in the case of the Required Lenders, a copy to the Borrower Representative) that the Borrower Representative or Required Lenders (as applicable) have determined, that:

(i) adequate and reasonable means do not exist for ascertaining LIBOR for any requested Interest Period, including, without limitation, because the LIBOR Screen Rate is not available or published on a current basis and such circumstances are unlikely to be temporary; or

(ii) the administrator of the LIBOR Screen Rate or a Governmental Authority having jurisdiction over the Administrative Agent has made a public statement identifying a specific date after which LIBOR or the LIBOR Screen Rate shall no longer be made available, or used for determining the interest rate of loans; provided that, at the time of such statement, there is no successor administrator that is satisfactory to the Administrative Agent that will continue to provide LIBOR after such specific date (such specific date, the “Scheduled Unavailability Date”); or

(iii) syndicated loans currently being executed, or that include language similar to that contained in this Section 2.16, are being executed or amended (as applicable) to incorporate or adopt a new benchmark interest rate to replace LIBOR.
that for the avoidance of doubt, in the case of clause (A), the LIBOR Successor Rate
might be determined by the Administrative Agent without reference to the SOFR Rate contained in any such amendment. Such LIBOR Successor Rate shall be applied in a manner consistent with market practice; provided that to the extent such market practice is not administratively feasible for the Administrative Agent, such LIBOR Successor Rate shall be applied in a manner as otherwise reasonably determined by the Administrative Agent in consultation with the Borrower Representative.

If no LIBOR Successor Rate has been determined and the circumstances under clause (i) above exist or the Scheduled Unavailability Date has occurred (as applicable), the Administrative Agent will promptly so notify the Borrower Representative and each Lender. Thereafter, (x) the obligation of the Lenders to make or maintain Eurocurrency Loans shall be suspended (to the extent of the affected Eurocurrency Loans or Interest Periods), and (y) the Eurocurrency Rate component shall no longer be utilized in determining ABR. Upon receipt of such notice, the Borrower Representative (on behalf of the Borrowers) may revoke any pending request for a Borrowing of, conversion to or continuation of Eurocurrency Loans (to the extent of the affected Eurocurrency Loans or Interest Periods) or, failing that, (A) with respect to a pending request for Loans denominated in Dollars, the Borrower Representative will be deemed to have converted such request into a request for a Borrowing of ABR Loans (subject to the foregoing clause (y)) in the amount specified therein and (B) with respect to Loans denominated in any Alternative Currency, at the election of the Borrower Representative, (1) such request shall be converted into a request for a Borrowing of ABR Loans denominated in Dollars (subject to the foregoing clause (y)) in the Dollar Amount of the amount specified therein (and, in the case of any outstanding Eurocurrency Loans, regardless of whether such request is made, such Loans will automatically be deemed to be converted to ABR Loans denominated in Dollars in the Dollar Amount of such Loans at the end of the applicable Interest Period) or (2) the applicable Borrower shall repay such Eurocurrency Loans (to the extent outstanding) in full at the end of the applicable Interest Period; provided, however that if no such election is made by the Borrower Representative within three days after receipt of such notice, the Borrower Representative shall be deemed to have elected clause (1) above.

Notwithstanding anything else herein, any definition of LIBOR Successor Rate shall provide that in no event shall such LIBOR Successor Rate be less than zero for purposes of this Agreement.

In connection with the implementation of a LIBOR Successor Rate, the Administrative Agent will have the right to make LIBOR Successor Rate Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Loan Document, any amendments implementing such LIBOR Successor Rate Conforming Changes will become effective without any further action or consent of any other party to this Agreement; provided that, with respect to any such amendment effected, the Administrative Agent shall post each such amendment implementing such LIBOR Successor Conforming Changes to the Lenders reasonably promptly after such amendment becomes effective.

(c) Notwithstanding any other provision of this Agreement, if any Change in Law shall make it unlawful for any Lender to make or maintain any Eurocurrency Loan or to give effect to its obligations as contemplated hereby with respect to any Eurocurrency Loan, then, by written notice to the Borrower Representative and to the Administrative Agent:

(i) any obligation of such Lender to make or continue Eurocurrency Loans in the affected currency or currencies or to convert ABR to Eurocurrency Loans shall be suspended and

(ii) if such notice asserts the illegality of such Lender making or maintaining ABR Loans the interest rate on which is determined by reference to the Eurocurrency Rate component of the ABR, the interest rate on which ABR Loans of such Lender, shall, if necessary to avoid such illegality, be determined by the Administrative Agent without reference to the Eurocurrency Rate component of the ABR,

in each case of clauses (i) and (ii) until such Lender notifies the Administrative Agent and the Borrower Representative that the circumstances giving rise to such determination no longer exist.

Upon receipt of such notice, the Borrowers shall, upon demand from such Lender (with a copy to the Administrative Agent), pay or, (I) if applicable and such Loans are denominated in Dollars, convert all of such Lender’s Eurocurrency Loans to ABR Loans (the interest rate on which ABR Loans of such Lender shall, if necessary to avoid such illegality, be determined by the Administrative Agent without reference to the Eurocurrency Rate component of the ABR) or (II) if applicable and such Loans are denominated in an Alternative Currency, the interest rate with respect to such Loans shall be determined by an alternative rate mutually acceptable to the Borrowers and the Lenders, either on the last day of the Interest Period therefor, if such Lender may lawfully continue to maintain such Eurocurrency Loans to such day, or immediately, if such Lender may not lawfully continue to maintain such Eurocurrency Loans. In the event any Lender shall exercise its rights under paragraphs (i) or (ii) of this clause (b), all payments and prepayments of principal that would otherwise have been applied to repay the Eurocurrency Loans that would have been made by such Lender or the converted Eurocurrency Loans of such Lender shall instead be applied to repay the ABR Loans (if applicable) made by such Lender in lieu of, or resulting from the conversion of, such Eurocurrency Loans. For purposes of this clause (b), a notice to the Borrower Representative by any Lender shall be effective as to each Eurocurrency Loan made by such Lender, if lawful, on the last day of the Interest Period then applicable to such
2.17 Pro Rata Treatment and Payments; Sharing of Payments by Lenders.

(a) Each borrowing by the Borrowers from the Lenders hereunder, each payment by any Borrower on account of any Commitment Fee and any reduction of the Commitments of the Lenders shall be made pro rata according to the respective Term Percentages, Incremental Term Percentages or Revolving Percentages, as the case may be, of the relevant Lenders.
(b) Except as expressly set forth herein, each payment (including each prepayment) on account of principal of and interest on the Term Loans shall be made pro rata to the Term Lenders according to the respective Outstanding Amount of the Term Loans then held by the Term Lenders. The amount of each optional prepayment of the Term Loans made pursuant to Section 2.10 shall be applied as directed by the Borrower Representative in the notice described in Section 2.10 and, if no direction is given by the Borrower, in the direct order of maturity. The amount of each mandatory prepayment of the Term Loans pursuant to Section 2.11 (other than any such prepayment pursuant to Section 2.11(b)) shall be applied as directed by the Borrower Representative in the notice described in Section 2.11 and, if no direction is given by the Borrower Representative, in the direct order of maturity. The amount of each mandatory prepayment of the Term Loans pursuant to Section 2.11(b) shall be applied in the direct order of maturity or as otherwise directed by the Borrower Representative. Except as expressly set forth herein, each payment (including each prepayment) by the Revolving Borrowers on account of principal of and interest on the Revolving Loans shall be made pro rata to the Revolving Lenders according to the respective Outstanding Amount of the Revolving Loans then held by the Revolving Lenders.

(c) Each payment or prepayment of the principal of, and interest on, any Loans shall be made in the relevant currency in which such Loans are denominated (even if the applicable Borrower is required to convert currency to do so). All payments (including prepayments) to be made by the Borrowers hereunder and denominated in Dollars, whether on account of principal, interest, fees or otherwise, shall be made without setoff or counterclaim and shall be made prior to 10:00 a.m. (New York City time) on the due date thereof to the Administrative Agent at the applicable Administrative Agent’s Office, for the account of the Lenders, in Dollars and in immediately available funds. All payments (including prepayments) to be made by the Borrowers hereunder and denominated in an Alternative Currency, whether on account of principal, interest, fees or otherwise, shall be made without setoff or counterclaim and shall be made prior to 8:00 a.m. (New York City time) on the due date thereof to the Administrative Agent at the applicable Administrative Agent’s Office, for the account of the Lenders, in the applicable Alternative Currency and in immediately available funds. If, for any reason, any Borrower is prohibited by any Law from making any required payment hereunder in an Alternative Currency, such Borrower shall make such payment in Dollars in the Dollar Amount of the Alternative Currency payment amount. Any payments received after such time shall be deemed to be received on the next Business Day at the Administrative Agent’s sole discretion, and any applicable interest or fee shall continue to accrue. The Administrative Agent shall distribute such payments to the Lenders promptly upon receipt in like funds as received. Except as otherwise provided hereunder, if any payment hereunder (other than payments on the Eurocurrency Loans) becomes due and payable on a day other than a Business Day, such payment shall be required on the immediately preceding Business Day. If any payment on a Eurocurrency Loan becomes due and payable on a day other than a Business Day, the maturity thereof shall be extended to the next succeeding Business Day unless the result of such extension would be to extend such payment into another calendar month, in which event such payment shall be made on the immediately preceding Business Day. In the case of any extension of any payment of principal pursuant to the preceding two sentences, interest thereon shall be payable at the then applicable rate during such extension.
(d) Unless the Administrative Agent shall have been notified in writing by any Lender prior to the time of any Borrowing that such Lender will not make the amount that would constitute its share of such Borrowing available to the Administrative Agent, the Administrative Agent may assume that such Lender is making such amount available to the Administrative Agent, and the Administrative Agent may, in reliance upon such assumption, make available to the Borrowers a corresponding amount. If such amount is not made available to the Administrative Agent by the required time on the Borrowing Date therefor (a “Funding Default”), such Lender shall pay to the Administrative Agent, on demand, such amount with interest thereon, at a rate equal to the greater of (i) the Overnight Rate and (ii) a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation, for the period until such Lender makes such amount immediately available to the Administrative Agent. A certificate of the Administrative Agent submitted to any Lender with respect to any amounts owing under this paragraph shall be conclusive in the absence of manifest error. If such Lender’s share of such borrowing is not made available to the Administrative Agent by such Lender within three Business Days after such Borrowing Date, the Administrative Agent shall also be entitled to recover such amount with interest thereon at the rate per annum applicable to ABR Loans under the relevant Facility, on demand, from the Borrowers. Nothing herein shall be deemed to relieve any Lender from its obligation to fulfill its Commitment or to prejudice any rights which the Administrative Agent or the Borrowers may have against any Lender as a result of any default by such Lender hereunder.

(e) Unless the Administrative Agent shall have been notified in writing by the Borrower Representative prior to the date of any payment due to be made by the Borrowers hereunder that the Borrowers will not make such payment to the Administrative Agent, the Administrative Agent may assume that the Borrowers are making such payment, and the Administrative Agent may, but shall not be required to, in reliance upon such assumption, make available to the Lenders their respective pro rata shares of a corresponding amount. If such payment is not made to the Administrative Agent by the Borrowers within three Business Days after such due date, the Administrative Agent shall be entitled to recover, on demand, from each Lender to which any amount which was made available pursuant to the preceding sentence, such amount with interest thereon at the rate per annum equal to the daily Overnight Rate. Nothing herein shall be deemed to limit the rights of the Administrative Agent or any Lender against the Borrowers.

(f) If any Lender makes available to the Administrative Agent funds for any Loan to be made by such Lender as provided in the foregoing provisions of this Section 2 and such funds are not made available to the applicable Borrower by the Administrative Agent because the conditions to the applicable Loan set forth in Section 5 are not satisfied or waived in accordance with the terms hereof, the Administrative Agent shall return such funds (in like funds as received from such Lender) to such Lender, without interest.

(g) The obligations of the Lenders hereunder to make Term Loans and Revolving Loans, to fund participations in Letters of Credit and Swingline Loans and to make payments pursuant to Section 10.13 are several and not joint. The failure of any Lender to make any Loan, to fund any such participation or to make any payment under Section 10.13 on any date required hereunder shall not relieve any other Lender of its corresponding obligation to do so on such date, and no Lender shall be responsible for the failure of any other Lender to so make its Loan, to purchase its participation or to make its payment under Section 10.13.

(h) Nothing herein shall be deemed to obligate any Lender to obtain the funds for any Loan in any particular place or manner or to constitute a representation by any Lender that it has obtained or will obtain the funds for any Loan in any particular place or manner.
2.18 Requirements of Law.

(a) Subject to clause (c) of this Section 2.18, if any Change in Law shall (i) subject any Lender to any Tax of any kind whatsoever with respect to this Agreement, any Letter of Credit, any Application or any Eurocurrency Loan made by it, or change the basis of Taxation of payments to such Lender in respect thereof (except for (x) any Non-Excluded Taxes or Other Taxes (each of which is provided for in Section 2.19), (y) any Taxes described in clauses (i) through (vii) of the second sentence of Section 2.19(a) and (z) any Taxes which would have been compensated for under Section 2.19(a), Section 2.19(f) or Section 2.19(g) but were not so compensated because an exclusion in Section 2.19(b), Section 2.19(c), Section 2.19(d), Section 2.19(e) or Section 2.19(h) applied), (ii) impose, modify or hold applicable any reserve, special deposit, compulsory loan or similar requirement against assets held by, deposits or other liabilities in or for the account of, advances, loans or other extensions of credit by, or any other acquisition of funds by, any office of such Lender that is not otherwise included in the determination of the Eurocurrency Rate or (iii) impose on such Lender any other condition (for the avoidance of doubt, other than Taxes), and the result of any of the foregoing is to increase the cost to such Lender by an amount that such Lender reasonably deems to be material, of making, converting into, continuing or maintaining Eurocurrency Loans or issuing or participating in Letters of Credit, or to reduce any amount receivable hereunder in respect thereof, then, in any such case, the Borrowers shall promptly pay such Lender, upon its demand, any additional amounts necessary to compensate such Lender for such increased cost or reduced amount receivable. If any Lender becomes entitled to claim any additional amounts pursuant to this paragraph, it shall promptly notify the Borrower Representative (with a copy to the Administrative Agent) of the event by reason of which it has become so entitled.

(b) Subject to clause (c) of this Section 2.18, if any Lender shall have determined that compliance by such Lender (or any corporation controlling such Lender) with any Change in Law regarding capital adequacy or liquidity shall have the effect of reducing the rate of return on such Lender’s or such corporation’s capital as a consequence of its obligations hereunder or under or in respect of any Loans or Letters of Credit to a level below that which such Lender or such corporation could have achieved but for such Change in Law (taking into consideration such Lender’s or such corporation’s policies with respect to capital adequacy or liquidity) by an amount reasonably deemed by such Lender to be material, then from time to time, after submission by such Lender to the Borrower Representative (with a copy to the Administrative Agent) of a written request therefor (setting forth in reasonable detail the basis for calculating the additional amounts owed to such Lender under this Section 2.18(b)), the Borrowers shall pay to such Lender such additional amount or amounts as will compensate such Lender or such corporation for such reduction.

(c) Notwithstanding anything to the contrary in this Agreement (including clauses (a) and (b) above), reimbursement pursuant to this Section 2.18 for (A) increased costs arising from any market disruption (i) shall be limited to circumstances generally affecting the banking market and (ii) may only be requested by Lenders representing the Majority Facility Lenders with respect to the applicable Facility and (B) increased costs because of any Change in Law resulting from clause (i) or (ii) of the proviso to the definition of “Change in Law” may only be requested by a Lender imposing such increased costs on borrowers similarly situated to the Borrowers under syndicated credit facilities comparable to those provided hereunder. A certificate as to any additional amounts payable pursuant to this Section submitted by any Lender to the Borrower Representative (with a copy to the Administrative Agent) shall be conclusive in the absence of manifest error. The Borrowers shall pay such Lender the additional amount shown as due on any such certificate promptly after, and in any event within, 10 Business Days of, receipt thereof. Notwithstanding anything to the contrary in this Section, the Borrowers shall not be required to compensate a Lender pursuant to this Section for any amounts incurred more than nine months prior to the date that such Lender notifies the Borrower Representative of such Lender’s intention to claim compensation therefor; provided that, if the circumstances giving rise to such claim have a retroactive effect, then such nine-month period shall be extended to include the period of such retroactive effect. The obligations of the Borrowers pursuant to this Section shall survive the termination of this Agreement and the payment of the Loans and all other amounts payable hereunder.
Taxes.

(a) Except where required under applicable law, all payments made by the Loan Parties under any Loan Document shall be made free and clear of, and without deduction or withholding for or on account of, any present or future taxes, levies, imposts, duties, charges, fees, deductions or withholdings, including any penalties, interest and additional amounts with respect thereto, now or hereafter imposed, levied, collected, withheld or assessed by any Governmental Authority (collectively, "Taxes"). Subject to Section 2.19(b), Section 2.19(c), Section 2.19(d), Section 2.19(e) and Section 2.19(h) below, if any applicable law requires any Taxes, excluding (i) Taxes imposed on or measured by net income and franchise Taxes (which franchise Taxes are imposed in lieu of net income Taxes) imposed on or with respect to the Administrative Agent or any Lender as a result of a present or former connection between the Administrative Agent or such Lender and the jurisdiction of the Governmental Authority imposing such Tax or any political subdivision or taxing authority thereof or therein (other than any such connection arising solely from the Administrative Agent or such Lender having executed, delivered or performed its obligations or received a payment under, or enforced, this Agreement or any other Loan Document), (ii) branch profits Taxes imposed on the Administrative Agent or any Lender by the United States of America or any similar Tax imposed by any other jurisdiction described in clause (i) above, (iii) United States withholding Taxes to the extent imposed pursuant to a Requirement of Law (or official interpretation or administration thereof) in effect at the time the relevant Lender becomes a party to this Agreement (or designates a new lending office) except to the extent that such Lender (or its assignor, if any) would have been entitled at the time of designation of a new lending office (or assignment, if any) to receive additional amounts from the Borrowers with respect to such Taxes pursuant to this clause (a), (iv) Taxes that are attributable to a Lender's failure to comply with the requirements of clauses (j), (k), (l), (o), (q) or (u) of this Section 2.19, (v) Taxes imposed by sections 1471 through 1474 of the Code as in existence on the Closing Date (and any amended or successor versions of such provisions that are substantively comparable and not materially more onerous to comply with), any current or future U.S. treasury regulations thereunder and official interpretations thereof, any agreements entered into pursuant to Section 1471(b)(1) of the Code and fiscal, tax or regulatory legislation, rules or official practices adopted pursuant to any intergovernmental agreement, treaty or convention entered into in connection with the foregoing ("FATCA"), (vi) any Bank Levy and (vii) any withholding taxes applicable pursuant to the Luxembourg law of December 23, 2005 (such non-excluded taxes, levies, imposts, duties, charges, fees, deductions or withholdings, including any penalties, interest, and additional amounts with respect thereto, the "Non-Excluded Taxes"); (v) Other Taxes to be withheld from any amounts payable by the Loan Parties to the Administrative Agent or any Lender hereunder, the amounts so payable to the Administrative Agent or such Lender shall be increased to the extent necessary to yield to the Administrative Agent or such Lender (after making all required withholdings in respect of Non-Excluded Taxes and Other Taxes) an amount equal to the sum it would have received had no such withholding been made. Within 30 days of a Loan Party making a payment subject to any deduction or withholding as mentioned in this Section 2.19(a), the Loan Party making such payment shall deliver to the Administrative Agent as agent for the relevant Lender or Lenders evidence reasonably satisfactory to that Lender that the relevant deduction or withholding has been made and (as applicable) any appropriate payment has been made to the relevant taxing authority.
(b) A payment by a German Borrower shall not be increased pursuant to Section 2.19(a) by reason of a withholding or deduction for, or on account of, Taxes imposed by Germany if on the date on which the payment falls due (i) the payment could have been made to the Lender without a withholding or deduction if the Lender had been a German Qualifying Lender, but on that date that Lender is not or has ceased to be a German Qualifying Lender other than as a result of any change after the date it became a Lender under this Agreement in (or in the interpretation, administration, or application of) any law or German Treaty, or any published practice or published concession of any relevant taxing authority or (ii) the relevant Lender is a German Treaty Lender and the Loan Party making the payment is able to demonstrate that the payment could have been made to the Lender, without the withholding or deduction had that Lender complied with its obligations under Section 2.19(k) below.

(c) A payment by a Loan Party (other than in respect of an amount due in respect of a Term Loan) shall not be increased pursuant to Section 2.19(a) by reason of a UK Tax Deduction if on the date on which the payment falls due:

(i) the payment could have been made to the relevant Lender without a UK Tax Deduction if the Lender had been a UK Qualifying Lender, but on that date that Lender is not or has ceased to be a UK Qualifying Lender other than as a result of any change after the date it became a Lender under this Agreement in (or in the interpretation, administration, or application of) any law or Treaty, or any published practice or published concession of any relevant taxing authority;

(ii) the relevant Lender is a UK Qualifying Lender solely by virtue of clause (a)(ii) of the definition of UK Qualifying Lender and (A) an officer of H.M. Revenue & Customs has given (and not revoked) a direction (a “Direction”) under section 931 of the ITA 2007 which relates to the payment and that Lender has received from the UK Borrower a certified copy of that Direction and (B) the payment could have been made to the Lender without any UK Tax Deduction if that Direction had not been made;

(iii) the relevant Lender is a UK Qualifying Lender solely by virtue of clause (a)(ii) of the definition of UK Qualifying Lender and (A) the relevant Lender has not given a UK Tax Confirmation to the UK Borrower and (B) the payment could have been made to the relevant Lender without any UK Tax Deduction if the Lender had given a UK Tax Confirmation to the UK Borrower, on the basis that the UK Tax Confirmation would have enabled the UK Borrower to have formed a reasonable belief that the payment was an “excepted payment” for the purpose of section 930 of the ITA 2007; or
(iv) the relevant Lender is a UK Treaty Lender and the Loan Party making the payment is able to demonstrate that the payment could have been made to the Lender without the UK Tax Deduction had that Lender complied with its obligations under Section 2.19(k) (subject to Section 2.19(l)) or Section 2.19(m) as applicable.

(d) A payment by a Loan Party in respect of an amount due from a Spanish Borrower shall not be increased pursuant to Section 2.19(a) by reason of a Spanish Tax Deduction if on the date on which the payment falls due:

(i) the payment could have been made to the relevant Lender without a Spanish Tax Deduction if the Lender had been a Spanish Qualifying Lender, but on that date that Lender is not or has ceased to be a Spanish Qualifying Lender other than as a result of any change after the date it became a Lender under this Agreement in (or in the interpretation, administration or application of) any law or Spanish Treaty, or any published practice or published concession of any relevant taxing authority;

(ii) the relevant Lender is a Spanish Qualifying Lender under paragraphs (d) or (e) of the definition of “Spanish Qualifying Lender” and the payment could have been made to that Lender without a Spanish Tax Deduction had the relevant Lender complied with its obligations under Section 2.19(k) or 2.19(u), as applicable.

(e) A payment by a Luxembourg Borrower shall not be increased pursuant to Section 2.19(a) by reason of a withholding or deduction for, or on account of, Taxes imposed by Luxembourg if on the date on which the payment falls due (i) the payment could have been made to the Lender without a withholding or deduction if the Lender had been a Luxembourg Qualifying Lender, but on that date that Lender is not or has ceased to be a Luxembourg Qualifying Lender other than as a result of any change after the date it became a Lender under this Agreement in (or in the interpretation, administration, or application of) any law or Luxembourg Treaty, or any published practice or published concession of any relevant taxing authority or (ii) the relevant Lender is a Luxembourg Treaty Lender and the Loan Party making the payment is able to demonstrate that the payment could have been made to the Lender, without the withholding or deduction had that Lender complied with its obligations under Section 2.19(k) below.
(f) The Borrowers shall indemnify the Administrative Agent and each Lender within 10 Business Days after written demand therefor (which written demand shall be made no later than 180 days after the earlier of (1) the date on which the Administrative Agent or the applicable Lender, as the case may be, received written demand for payment of the applicable Non-Excluded Taxes or Other Taxes from the relevant Governmental Authority or (2) the date on which the Administrative Agent or the applicable Lender, as the case may be, paid the applicable Non-Excluded Taxes or Other Taxes; provided, that failure or delay on the part of the Administrative Agent or the applicable Lender, as the case may be, to make such written demand shall not constitute a waiver of the right of the Administrative Agent or the applicable Lender, as the case may be, to demand indemnity and reimbursement for such Non-Excluded Taxes or Other Taxes, except to the extent that such failure or delay results in prejudice to the Borrowers) for the full amount of any Non-Excluded Taxes or Other Taxes imposed on or with respect to any payment made by any Loan Party under any Loan Document (including Non-Excluded Taxes and Other Taxes imposed or asserted on or attributable to amounts payable under this Section 2.19 paid by such Person and any penalties, interest and reasonable expenses arising therefrom or with respect thereto, whether or not such Non-Excluded Taxes or Other Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority, but excluding Non-Excluded Taxes to the extent compensated under Section 2.19(a) or Taxes to the extent that such Taxes would have been compensated for by Section 2.19(a) or Section 2.19(g) but were not so compensated because one of the exclusions in Section 2.19(b), Section 2.19(c), Section 2.19(d), Section 2.19(e), Section 2.19(g) or Section 2.19(h) applied). A certificate stating the amount of such payment or liability and setting forth in reasonable detail the calculation thereof delivered to the Borrower Representative by a Lender (with a copy to the Administrative Agent), or by the Administrative Agent on its own behalf or on behalf of a Lender shall be conclusive absent manifest error. Statements payable by any Borrower pursuant to this Section 2.19 shall be submitted to the Borrower Representative at the address specified under Section 11.2.

(g) Without duplication of clauses (a) or (f) above, the Borrowers shall pay any Other Taxes to the relevant Governmental Authority in accordance with applicable law, except for any Luxembourg Taxes payable due to the registration of a Loan Document with the Administration de l’Enregistrement, des Domaines et de la TVA in Luxembourg within the same circumstances as referred to under Section 2.19(b)(i) and (ii) below.

(h) A payment shall not be required to be made by a Loan Party pursuant to Section 2.19(a), Section 2.19(f) or Section 2.19(g) for, or on account of, Other Taxes where (i) such Other Taxes are imposed with respect to an assignment or transfer of any Lender’s rights or any participation or sub-contract by a Lender (other than in the course of primary syndication, pursuant to Section 2.23 (other than Section 2.23(c)) or after a Default), or (ii) such Other Taxes derive from the voluntary registration of a Loan Document by or on behalf of the Administrative Agent or any Lender where such registration is not required to maintain, preserve, establish or enforce the rights of the Administrative Agent or that Lender under a Loan Document.

(i) Whenever any Non-Excluded Taxes or Other Taxes are payable by the Borrowers, as promptly as possible thereafter the Borrowers shall send to the Administrative Agent for its own account or for the account of the relevant Lender, as the case may be, (A) where that payment is in connection with a UK Tax Deduction, a statement under section 975 of the ITA 2007 or other evidence reasonably satisfactory to the Administrative Agent that the UK Tax Deduction has been made or (as applicable) any appropriate payment paid to HM Revenue & Customs, or (B) in any other case, a certified copy of an original official receipt received by the Borrowers showing payment thereof, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent.
(j) Each Lender (or Assignee) that is not a “United States person” as defined in Section 7701(a)(30) of the Code (a “Non-U.S. Lender”) shall deliver to the Borrower Representative (on behalf of the applicable Borrowers) and the Administrative Agent two copies of either U.S. Internal Revenue Service Form W-8BEN, Form W-8BEN-E or Form W-8ECI, or, in the case of a Non-U.S. Lender claiming exemption from U.S. federal withholding tax under Section 871(h) or 881(c) of the Code with respect to payments of “portfolio interest”, a statement substantially in the form of Exhibit C-1 and a Form W-8BEN, Form W-8BEN-E, or any subsequent versions thereof or successors thereto, properly completed and duly executed by such Non-U.S. Lender claiming complete exemption from, or a reduced rate of, U.S. federal withholding tax on all payments by the Borrowers under this Agreement and the other Loan Documents; provided that, in the case of a Non-U.S. Lender that is not the beneficial owner, such Non-U.S. Lender shall deliver to the Borrower Representative (on behalf of the applicable Borrowers) and the Administrative Agent two executed copies of U.S. Internal Revenue Service Form W-8IMY, accompanied by Form W-8ECI, Form W-8BEN, Form W-8BEN-E, a statement substantially in the form of Exhibit C-2 or Exhibit C-3, Form W-9, and/or other certification documents from each beneficial owner, as applicable (in each case, or any subsequent versions thereof or successors thereto); provided, further, that if the Non-U.S. Lender is a partnership and one or more direct or indirect partners of such Non-U.S. Lender are claiming exemption from U.S. federal withholding tax under Section 871(h) or 881(c) of the Code with respect to payments of “portfolio interest”, such Non-U.S. Lender may provide a statement substantially in the form of Exhibit C-4 on behalf of each such direct or indirect partner). Any Lender (or Assignee) that is not a Non-U.S. Lender shall deliver to the Borrower Representative (on behalf of the applicable Borrowers) and the Administrative Agent two copies of U.S. Internal Revenue Service Form W-9, or any subsequent versions thereof or successors thereto, properly completed and duly executed by such Person claiming complete exemption from backup withholding on all payments by the Borrowers under this Agreement and the other Loan Documents. The Administrative Agent shall deliver to the Borrower Representative (on behalf of the applicable Borrowers) with respect to any Revolving Loan made to a US Loan Party, and with respect to any Term Loan, a duly completed U.S. Internal Revenue Service Form W-9 (or, in the case of a successor Administrative Agent that is not organized in the United States, a duly executed U.S. Internal Revenue Service Form W-8IMY (y)(A) certifying that such Administrative Agent is a qualified intermediary, within the meaning of Treasury Regulation Section 1.1441-1(e)(5)(ii) (or any successor thereto) and (B) assuming primary responsibility for U.S. federal income tax withholding with respect to payments to be received by it on behalf of the Lenders or (z) evidencing its agreement with the Borrowers to be treated as a United States person with respect to payments on such Loans for U.S. federal income tax purposes in accordance with Treasury Regulation 1.1441-1(b)(2)(iv)(A) (or any successor thereto)). The forms and certification referenced in the previous three sentences (the “Forms”) shall be delivered by the Administrative Agent and each Lender on or before the date it becomes a party to this Agreement. In addition, the Administrative Agent and each Lender shall deliver the Forms promptly upon the obsolescence or invalidity of any Forms previously delivered by the Administrative Agent and such Lender and upon the written request of the Borrower Representative or the Administrative Agent. The Administrative Agent and each Lender shall promptly notify the Borrower Representative (on behalf of the applicable Borrowers) at any time it determines that it is no longer in a position to provide any previously delivered Form to the Borrower Representative (or any other form or certification adopted by the U.S. taxing authorities for such purpose). Notwithstanding any other provision of this paragraph (j), the Administrative Agent and each Lender shall not be required to deliver any Form pursuant to this paragraph (j) that the Administrative Agent and such Lender is not legally able to deliver.

(k) The Administrative Agent and each Lender that is entitled to an exemption from or reduction of withholding tax (other than U.S. federal withholding Tax) under the law of the jurisdiction in which a Loan Party is resident for tax purposes, or any treaty to which such jurisdiction is a party, with respect to payments under any Loan Document (including, for the avoidance of doubt, a Luxembourg Treaty Lender, a German Treaty Lender, a Spanish Treaty Lender and a UK Treaty Lender) shall (subject, in the case of a UK Treaty Lender with respect to any exemption from or reduction of a UK Tax Deduction, to Section 2.19(e)) (i) cooperate in completing any procedural formalities necessary for a Loan Party making a payment to that Lender or the Administrative Agent to obtain authorization to make that payment without a withholding or deduction for, or on account of, Tax, and (ii) deliver to the Borrower Representative (on behalf of the applicable Borrowers) (with a copy to the Administrative Agent), at the time or times reasonably requested by the Borrower Representative (on behalf of the applicable Borrowers) or the Administrative Agent, such properly completed and executed documentation prescribed by applicable law or any treaty as will permit such payments to be made without withholding or deduction for, or on account of, Tax or at a reduced rate, provided that the Administrative Agent or such Lender, as applicable, is legally entitled to complete such procedural formalities or complete, execute and deliver such documentation and in the Administrative Agent’s or such Lender’s judgment, as applicable, such completion of such procedural formalities or such completion, execution or submission of such documentation would not materially prejudice the legal or commercial position of the Administrative Agent and such Lender.
(l) A UK Treaty Lender which becomes (i) a party to this Agreement on the Closing Date that (x) holds a passport under the HM Revenue & Customs DT Treaty Passport scheme and (y) wishes such scheme to apply to this Agreement, shall confirm its scheme reference number and its jurisdiction of tax residence opposite its name in Schedule 1.1A; or (ii) a Lender hereunder after the Closing Date that (x) holds a passport under the HM Revenue & Customs DT Treaty Passport scheme and (y) wishes such scheme to apply to this Agreement, shall provide its scheme reference number and its jurisdiction of tax residence in the relevant Assignment or Assumption, Refinancing Amendment or Incremental Amendment pursuant to which such Lender becomes a party hereto or otherwise in writing to the UK Borrower within 15 days of it become a party to this Agreement, and having done so, such UK Treaty Lender shall have satisfied its obligation under clause (k) above in respect of a UK Tax Deduction.

(m) If a UK Treaty Lender has confirmed its scheme reference number and its jurisdiction of tax residence in accordance with clause (l) above and

(i) a UK Borrower making a payment to that Lender has not made a Borrower DTTP Filing in respect of that Lender; or

(ii) a UK Borrower making a payment to that Lender has made a Borrower DTTP Filing in respect of that Lender but:

(1) such Borrower DTTP Filing has been rejected by HM Revenue & Customs; or

(2) HM Revenue & Customs has not given that UK Borrower authority to make payments to that Lender without a Tax Deduction within 60 days of the date of the Borrower DTTP Filing,

and in each case, the UK Borrower has notified that UK Treaty Lender in writing of either (1) or (2) above, then such UK Treaty Lender and the UK Borrower shall co-operate in completing any additional procedural formalities necessary for that UK Borrower to obtain authorization to make that payment without a UK Tax Deduction.

(iii) If a UK Treaty Lender has not confirmed its scheme reference number and jurisdiction of tax residence in accordance with clause (l) above, no Loan Party shall make a Borrower DTTP Filing or file any other form relating to the HM Revenue & Custom DT Treaty Passport scheme in respect of that UK Treaty Lender's Commitment(s) or its participation in any Loan unless the UK Treaty Lender otherwise agrees.
(iv) A Loan Party shall, promptly on making a Borrower DTTP Filing, deliver a copy of such Borrower DTTP Filing to the Administrative Agent for delivery to the relevant UK Treaty Lender.

(v) A UK Non-Bank Lender which becomes a party to this Agreement on the Closing Date gives a UK Tax Confirmation to the UK Borrower by entering into this Agreement. A UK Non-Bank Lender shall promptly notify the UK Borrower and the Administrative Agent if there is any change in the position from that set out in the UK Tax Confirmation.

(n) If the Administrative Agent or any Lender determines, in its sole discretion exercised in good faith, that it has received a refund (whether in the form of cash or as a credit against, or as a reduction of, a tax liability) of any Non-Excluded Taxes or Other Taxes as to which it has been indemnified by the Loan Parties or with respect to which the Loan Parties have paid additional amounts pursuant to this Section 2.19, it shall pay over such refund to the relevant Loan Party (but only to the extent of indemnity payments made, or additional amounts paid, by the Loan Parties under this Section 2.19 with respect to the Non-Excluded Taxes or Other Taxes giving rise to such refund), net of all out-of-pocket expenses of the Administrative Agent or such Lender and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund); provided that the relevant Loan Party, upon the request of the Administrative Agent or such Lender, agrees to repay the amount paid over to the Loan Parties (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) to the Administrative Agent or such Lender in the event the Administrative Agent or such Lender is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this paragraph (n), in no event will the Administrative Agent or any Lender be required to pay any amount to the Loan Parties pursuant to this paragraph (n) the payment of which would place the Administrative Agent or such Lender in a less favorable net after-Tax position than it would have been in if the Tax subject to indemnification and giving rise to such refund had not been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts with respect to such Tax had never been paid. This paragraph (n) shall not be construed to require the Administrative Agent or any Lender to make available its tax returns (or any other information relating to its taxes which it deems confidential) to the Borrower Representative or any other Person.

(o) If a payment made to the Administrative Agent or a Lender under any Loan Document would be subject to United States federal withholding Tax imposed by FATCA if the Administrative Agent or such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), the Administrative Agent and such Lender shall deliver to the Borrower Representative (on behalf of the applicable Borrowers) and the Administrative Agent at the time or times prescribed by law and at such time or times reasonably requested by the Borrower Representative (on behalf of the applicable Borrowers) or the Administrative Agent such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by the Borrower Representative (on behalf of the applicable Borrowers) or the Administrative Agent as may be necessary for any Borrower and the Administrative Agent to comply with their obligations under FATCA and to determine that the Administrative Agent or such Lender has complied with the Administrative Agent’s or such Lender’s obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of this paragraph (o), “FATCA” shall include any amendments made to FATCA after the Closing Date.
(p) Each Lender which becomes a party to this Agreement after the Closing Date (a “New Lender”) shall indicate in the Assignment and Assumption, Refinancing Amendment or Incremental Amendment pursuant to which such Lender will become a party hereto, which of the following categories it falls in: (i) in relation to a Luxembourg Borrower (a) not a Luxembourg Qualifying Lender, (b) a Luxembourg Qualifying Lender (other than a Luxembourg Treaty Lender), or (c) a Luxembourg Treaty Lender; (ii) in relation to a UK Borrower (a) not a UK Qualifying Lender, (b) a UK Qualifying Lender (other than a UK Treaty Lender), or (c) a UK Treaty Lender; (iii) in relation to a German Borrower (a) not a German Qualifying Lender, (b) a German Qualifying Lender (other than a German Treaty Lender), or (c) a German Treaty Lender; and (iv) in relation to a Spanish Borrower (a) not a Spanish Qualifying Lender, (b) a Spanish Qualifying Lender (other than a Spanish Treaty Lender or an EU Lender), (c) an EU Lender; or (d) a Spanish Treaty Lender. If a New Lender fails to indicate its status in accordance with this Section 2.19(p) then such New Lender shall be treated for the purposes of this Agreement as if it was not a Luxembourg Qualifying Lender, not a UK Qualifying Lender, not a German Qualifying Lender or not a Spanish Qualifying Lender, as applicable, until such time as it notifies the Administrative Agent which category applies (and the Administrative Agent upon receipt of such notification, shall inform the Borrower Representative). For the avoidance of doubt, an Assignment and Assumption, Refinancing Amendment or Incremental Amendment shall not be invalidated by any failure of a Lender to comply with this Section 2.19(p).

(q) Each Lender agrees that if any form or certification it previously delivered expires or becomes obsolete or inaccurate in any respect, it shall update such form or certification or promptly notify the Borrower Representative (on behalf of the applicable Borrowers) and the Administrative Agent in writing of its legal inability to do so.

(r) Without limiting any other provisions of this Agreement, each Lender that would not qualify for a complete exemption from withholding Taxes with respect to payments made under any Loan Document at the time such Lender becomes a party to this Agreement, shall consider in good faith, but not be required, to take actions, including assigning any of its Commitments and Loans to an affiliate of such Lender, so as to reasonably limit any obligations of the Loan Parties under this Section 2.19.

(s) The agreements in this Section shall survive the termination of this Agreement and the payment of the Loans and all other amounts payable hereunder.

(t) VAT.

(i) All amounts expressed to be payable under any Loan Document by any party to this Agreement to a Lender which (in whole or in part) constitute the consideration for any supply for VAT purposes are deemed to be exclusive of any VAT which is chargeable on that supply and, accordingly, subject to clause (ii) below, if VAT is or becomes chargeable on any supply made by any Lender to any party to this Agreement under any Loan Document and such Lender is required to account to the relevant tax authority for the VAT, that party must pay to such Lender (in addition to and at the same time as paying any other consideration for such supply) an amount equal to the amount of the VAT (and such Lender must promptly provide an appropriate VAT invoice to that party).
(ii) If VAT is or becomes chargeable on any supply made by any Lender (the “Supplier”) to any other Lender (the “Recipient”) under any Loan Document, and any party other than the Recipient (the “Relevant Party”) is required by the terms of any Loan Document to pay an amount equal to the consideration for that supply to the Supplier (rather than being required to reimburse or indemnify the Recipient in respect of that consideration):

(1) (where the Supplier is the person required to account to the relevant tax authority for the VAT) the Relevant Party must also pay to the Supplier (at the same time as paying that amount) an additional amount equal to the amount of the VAT. The Recipient must (where this clause (1) applies) promptly pay to the Relevant Party an amount equal to any credit or repayment the Recipient receives from the relevant tax authority which the Recipient reasonably determines relates to the VAT chargeable on that supply; and

(2) (where the Recipient is the person required to account to the relevant tax authority for the VAT) the Relevant Party must promptly, following demand from the Recipient, pay to the Recipient an amount equal to the VAT chargeable on that supply but only to the extent that the Recipient reasonably determines that it is not entitled to credit or repayment from the relevant tax authority in respect of that VAT.

(iii) Where any Loan Document requires any party to this Agreement to reimburse or indemnify a Lender for any cost or expense, that party shall reimburse or indemnify (as the case may be) such Lender for the full amount of such cost or expense, including such part thereof as represents VAT, save to the extent that such Lender reasonably determines that it is entitled to credit or repayment in respect of such VAT from the relevant tax authority.

(iv) Any reference in this Section 2.19(t) to any party shall, at any time when such party is treated as a member of a group for VAT purposes, include (where appropriate and unless the context otherwise requires) a reference to the representative member of such group at such time (the term “representative member” to have the same meaning as in the Value Added Tax Act 1994 or in the relevant legislation of any other jurisdiction having implemented Council Directive 2006/112/EC on the common system of value added tax).
In relation to any supply made by a Lender to any party to this Agreement under any Loan Document, if reasonably requested by such Lender, that party must promptly provide such Lender with details of that party's VAT registration and such other information as is reasonably requested in connection with such Lender's VAT reporting requirements in relation to such supply.

Each (i) Spanish Qualifying Lender under paragraphs (d) or (e) of the definition of “Spanish Qualifying Lender” and (ii) Lender who is not resident for tax purposes in Spain but is entitled to the benefits of a Spanish Treaty providing for a reduction of a Spanish Tax Deduction applicable on interest shall, as soon as reasonably practicable after the date on which it becomes a Party to this Agreement, and in any event before any payment is due or made, whichever comes first, deliver to the Spanish Borrower through the Administrative Agent a certificate of tax residence (or the specific form or documentation required under the relevant Spanish Treaty) duly issued by the competent tax authorities of that Lender’s jurisdiction of tax residence evidencing such Lender as resident for tax purposes in that jurisdiction and, if a Spanish Treaty Lender or a Lender entitled to the benefits of a Spanish Treaty, evidencing such Lender as resident for tax purposes in that jurisdiction and declaring that it is entitled to the benefits of the relevant Spanish Treaty. Each such Lender shall be required to deliver a new certificate of tax residence each time the existing certificate expires in accordance with the Spanish laws and regulations.

For purposes of this Section 2.19, the term Lender shall include any Issuing Lender or Swingline Lender.

2.20 [Reserved].

2.21 Indemnity. The Borrowers agree to indemnify each Lender for, and to hold each Lender harmless from, any loss or expense that such Lender may sustain or incur as a consequence of (a) default by any Borrower in making a borrowing of, conversion into or continuation of Eurocurrency Loans after the Borrower Representative has given a notice requesting the same in accordance with the provisions of this Agreement, (b) default by the Borrowers in making any prepayment of or conversion from Eurocurrency Loans after the Borrower Representative has given a notice thereof in accordance with the provisions of this Agreement or (c) the making of a prepayment of Eurocurrency Loans on a day that is not the last day of an Interest Period with respect thereto. Such indemnification may include an amount equal to the excess, if any, of (i) the amount of interest that would have accrued on the amount so prepaid, or not so borrowed, reduced, converted or continued, for the period from the date of such prepayment or of such failure to borrow, reduce, convert or continue to the last day of such Interest Period (or, in the case of a failure to borrow, reduce, convert or continue, the Interest Period that would have commenced on the date of such failure) in each case at the applicable rate of interest or other return for such Loans provided for herein (excluding, however, the Applicable Margin included therein, if any) over (ii) the amount of interest (as reasonably determined by such Lender) that would have accrued to such Lender on such amount by placing such amount on deposit for a comparable period with leading banks in the interbank eurocurrency market. A certificate as to any amounts payable pursuant to this Section submitted to the Borrower Representative by any Lender shall be conclusive in the absence of manifest error. This covenant shall survive the termination of this Agreement and the payment of the Loans and all other amounts payable hereunder.
2.22 Change of Lending Office.

(a) Each Lender agrees that, upon the occurrence of any event giving rise to the operation of Sections 2.18 or 2.19 with respect to such Lender, it will, if requested by the Borrower Representative, use reasonable efforts (subject to overall policy considerations of such Lender) to designate another lending office for any Loans affected by such event with the object of avoiding the consequences of such event; provided that such designation is made on terms that, in the sole judgment of such Lender, cause such Lender and its lending office(s) to suffer no economic, legal or regulatory disadvantage (with respect to which such Lender is not reimbursed), and provided, further, that nothing in this Section shall affect or postpone any of the obligations of the Borrowers or the rights of any Lender pursuant to Sections 2.18 or 2.19.

(b) Subject to clause (a) above, and without prejudice to the rights and obligations (but subject to the terms and requirements) in Section 2.19, each Borrower agrees that each Lender may, at its option, make any Loan available to any Borrower by causing any foreign or domestic branch or Affiliate of such Lender to make such Loan, and that any exercise of such option shall not shall affect or postpone any of the obligations of the Borrowers or the rights of any Lender pursuant to this Agreement (except to the extent that, for the avoidance of doubt, the exercise of such option changes such Lender’s status as a UK Qualifying Lender, a German Qualifying Lender, a Spanish Qualifying Lender or a Luxembourg Qualifying Lender for the purposes of Section 2.19).

2.23 Replacement of Lenders. The Borrowers shall be permitted to replace, or, notwithstanding Section 2.17, prepay the applicable Loans and terminate the applicable Commitments (on a non pro rata basis among Lenders generally), of any Lender (a) where a Loan Party is obligated to pay additional amounts or indemnity payments under Section 2.19, (b) that requests reimbursement for amounts owing pursuant to Sections 2.16 or 2.18, (c) that becomes a Defaulting Lender or otherwise defaults in its obligation to make Loans hereunder or (d) that has not consented to a proposed change, waiver, discharge or termination of the provisions of this Agreement as contemplated by Section 11.1 that requires the consent of all Lenders or all Lenders under a particular Facility or each Lender affected thereby and which has been approved by the Required Lenders as provided in Section 11.1, with a Lender or Eligible Assignee; provided that (i) such replacement does not conflict with any Requirement of Law, (ii) in the case of clause (a) or (b), prior to any such replacement, such Lender shall have taken no action under Section 2.22 sufficient to eliminate the continued need for payment of amounts owing pursuant to Sections 2.16, 2.18 or 2.19, (iii) the replacement financial institution or other Eligible Assignee shall purchase, or the applicable Borrowers shall repay, all Loans and other amounts (or, in the case of clause (d) as it relates to provisions affecting a particular Facility, Loans or other amounts owing under such Facility) owing to such replaced Lender on or prior to the date of replacement, (iv) the Borrowers shall be liable to such replaced Lender under Section 2.21 if any Eurocurrency Loan owing to such replaced Lender shall be purchased other than on the last day of the Interest Period relating thereto, (v) in the case of any replacement, the replacement financial institution or other Eligible Assignee, if not already a Lender, shall be reasonably satisfactory to the Administrative Agent, (vi) in the case of any replacement, the replaced Lender shall be deemed to have made such replacement in accordance with the provisions of Section 11.6, (vii) until such time as such replacement or prepayment and termination shall be consummated, the Borrowers shall pay all additional amounts (if any) required pursuant to Sections 2.16, 2.18, 2.19(a) or 2.19(f), as the case may be, and (viii) any such replacement or prepayment and termination shall not be deemed to be a waiver of any rights that the Borrowers, the Administrative Agent or any other Lender shall have against the replaced Lender. Upon any such assignment, such replaced Lender shall no longer constitute a “Lender” for purposes hereof (or, in the case of clause (d) as it relates to provisions affecting a particular Facility, a Lender under such Facility); provided that any rights of such replaced Lender to indemnification hereunder shall survive as to such replaced Lender. Each Lender, the Administrative Agent and the Borrowers agree that in connection with the replacement of a Lender and upon payment to such replaced Lender of all amounts required to be paid under this Section 2.23, the Administrative Agent and the Borrowers shall be authorized, without the need for additional consent from such replaced Lender, to execute an Assignment and Assumption on behalf of such replaced Lender, and any such Assignment and Assumption so executed by the Administrative Agent or the Borrowers and, to the extent required under Section 11.6, the Borrowers, the Swingline Lender and each Issuing Lender, shall be effective for purposes of this Section 2.23 and Section 11.6. Notwithstanding anything to the contrary in this Section 2.23, in the event that a Lender which holds Loans or Commitments under more than one Facility does not agree to a proposed amendment, supplement, modification, consent or waiver which requires the consent of all Lenders under a particular Facility, the Borrowers shall be permitted to replace or, notwithstanding Section 2.17, prepay the applicable Loans and terminate the applicable Commitments of the non-consenting Lender with respect to the affected Facility and may, but shall not be required to, replace such Lender with respect to any unaffected Facilities.
2.24 Evidence of Debt; Notes. The Loans and other credit extensions hereunder made by each Lender shall be evidenced by one or more accounts or records maintained by such Lender in the ordinary course of business. The Administrative Agent shall maintain the Register in accordance with Section 11.6(b)(vi). The accounts or records maintained by each Lender shall be conclusive absent manifest error of the amount of the Loans and other credit extensions hereunder made by the Lenders to the Borrowers and the interest and payments thereon. Any failure to so record or any error in doing so shall not, however, limit or otherwise affect the joint and several obligation of the Borrowers hereunder to pay any amount owing with respect to the Obligations. In the event of any conflict between the accounts and records maintained by any Lender and the Register, the Register shall control in the absence of manifest error. If so requested by any Lender by written notice to the Borrower Representative (with a copy to the Administrative Agent), the applicable Borrowers shall execute and deliver to such Lender (and/or, if applicable and if so specified in such notice, to any Person who is an assignee of such Lender pursuant to Section 11.6) (promptly after the Borrower Representative’s receipt of such notice) a Note or Notes to evidence such Lender’s Loans in addition to such accounts or records. Each Lender may attach schedules to its Note and endorse thereon the date, Type (if applicable), amount and maturity of its Loans and payments with respect thereto.

2.25 Incremental Credit Extensions.

Subject to the terms of this Section 2.25:

(a) A Borrower or Subsidiary Guarantor may, at any time or from time to time after the Closing Date, by notice from the Borrower Representative to the Administrative Agent (whereupon the Administrative Agent shall promptly deliver a copy to each of the Lenders) and the Person appointed by the Borrower Representative to arrange an Incremental Facility (such Person, who may be the Administrative Agent, if it so agrees, or any other Person appointed by the Borrower Representative, the “Incremental Arranger”), request one or more additional tranches of term loans and/or one or more increases to the amount of any Class of Term Loans then outstanding (the commitments thereof, the “Incremental Term Commitments”, the loans thereunder, the “Incremental Term Loans”, and a Lender making such loans, an “Incremental Term Lender”) and/or one or more additional tranches of revolving loans (the “Additional/Replacement Revolving Commitments”) and/or one or more increases in the amount of the Revolving Commitments of any Class (each such increase, a “Revolving Commitment Increase”, the loans thereunder and under any Additional/Replacement Revolving Commitments, the “Incremental Revolving Loans”, and a Lender making a commitment to provide such Incremental Revolving Loans, an “Incremental Revolving Lender”); provided that the Borrowers and Subsidiary Guarantors may incur Incremental Term Commitments that are intended to be fungible with the Initial Term Loans on no more than five occasions prior to the initial Term Loan Maturity Date unless the Administrative Agent otherwise agrees; provided, further, that:
after giving effect to any such Additional/Replacement Revolving Commitments, any such Revolving Commitment Increase and any such Incremental Term Loans, the aggregate amount of such Additional/Replacement Revolving Commitments, Revolving Commitment Increases and Incremental Term Loans shall not exceed an amount equal to the sum of (x) an unlimited amount at any time so long as the First Lien Net Leverage Ratio on a Pro Forma Basis (but without giving effect to the cash proceeds of such Incremental Term Loans or of any Incremental Revolving Loans incurred pursuant to such Revolving Commitment Increase or such Additional/Replacement Revolving Commitments remaining on the balance sheet) as of the most recently ended Reference Period (calculated assuming that such Revolving Commitment Increase or Additional/Replacement Revolving Commitment is fully drawn throughout such period) does not exceed the greater of (A) 5.00 to 1.00 and (B) if incurred to finance an acquisition or other Investment permitted hereunder, the First Lien Net Leverage Ratio as of the most recently ended Reference Period, plus (y) the amount of all prior voluntary prepayments, loan buybacks (with credit given to the principal amount thereof) and commitment reductions of Term Loans, Revolving Loans, Incremental Loans, Indebtedness incurred pursuant to Section 7.2(b)(vi) that is secured by a Lien on the Collateral on a pari passu basis with the Obligations and Permitted Credit Agreement Refinancing Debt and Refinancing Indebtedness previously applied to the permanent repayment of any of the foregoing and the amount of any prepayments made to any Lender pursuant to Section 2.23, with any replacement of a Lender pursuant thereto being deemed, solely for this purpose, to constitute a prepayment (in each case to the extent not funded with the proceeds of long-term Indebtedness (except Indebtedness under one or more revolving credit or similar facilities) or the proceeds of Permitted Cure Securities applied pursuant to Section 9.4 and, with respect to any prepayment or commitment reduction of or in respect of revolving loans, to the extent accompanied by a permanent reduction in such revolving commitments) less the aggregate principal amount of Indebtedness incurred under Section 7.2(b)(vi)(y), plus (z) an amount equal to the greater of $325,000,000 and 100% of Consolidated EBITDA on a Pro Forma Basis as of the most recently ended Reference Period (and after giving effect to any acquisition or other transaction consummated concurrently therewith) less the aggregate outstanding principal amount of Indebtedness incurred under Section 7.2(b)(vi)(z) (provided that, for the avoidance of doubt, the amount available to the Borrowers pursuant to clauses (y) and (z) above shall be available at all times and shall not be subject to any ratio test described in foregoing clause (x)); provided that, for the avoidance of doubt, if the applicable Borrower incurs Incremental Term Loans, Additional/Replacement Revolving Commitments or a Revolving Commitment Increase under clause (x) above on the same date that it incurs indebtedness under clauses (y) or (z) above, then the First Lien Net Leverage Ratio will be calculated with respect to such incurrence under clause (x) without regard to any incurrence of indebtedness under clauses (y) or (z) above. Unless the Borrower Representative elects otherwise, any Incremental Term Loans, Additional/Replacement Revolving Commitments or Revolving Commitment Increase shall be deemed incurred first under clause (x) above, with the balance incurred under clauses (y) and (z) above. The Borrower Representative may designate any Incremental Arranger of any Incremental Facility with such titles under the Incremental Facility as Borrower Representative may deem appropriate.
the Incremental Term Loans and Incremental Revolving Loans shall rank pari passu in right of payment and of security with the other Loans and Commitments hereunder;

any Additional/Replacement Revolving Commitments shall not mature earlier than the Revolving Termination Date and shall not have amortization or scheduled mandatory commitment reductions (other than at the maturity thereof) and all other material terms (other than pricing, maturity, upfront, arrangement, structuring, underwriting, ticking, consent, amendment and other fees, participation in mandatory prepayments or commitment reductions and immaterial terms, which shall be determined by the Borrower Representative) shall (x) be substantially consistent with the existing Revolving Facility or (y) be reasonably satisfactory to the Administrative Agent (it being understood that if any financial maintenance covenant or other more favorable provision (other than pricing, maturity, upfront, arrangement, structuring, underwriting, ticking, consent, amendment and other fees, participation in mandatory prepayments or commitment reductions and immaterial terms) is added for the benefit of any Additional/Replacement Revolving Commitments, no consent shall be required from the Administrative Agent or any Lender to the extent that such financial maintenance covenant or such other provision is (i) also added for the benefit of any then-existing Revolving Facility, in which case such terms may be incorporated into this Agreement (or any other applicable Loan Document) for the benefit of the Revolving Facility without further amendment or consent requirements or (ii) only applicable after the Revolving Termination Date);

other than Customary Bridge Financings and Indebtedness incurred pursuant to the Inside Maturity Basket, the Incremental Term Loans shall have a Weighted Average Life to Maturity no shorter than the remaining Weighted Average Life to Maturity of the Initial Term Loans determined at the time of incurrence and shall not mature earlier than the Term Loan Maturity Date;

subject to clause (iv) above, the interest rates and the amortization schedule applicable to any such Incremental Term Loans shall be determined by the Borrower Representative and the applicable Incremental Term Lenders;

no Event of Default shall exist on the Incremental Facility Closing Date with respect to any Incremental Amendment entered into in connection therewith (and after giving effect to any Incremental Term Loans and/or Incremental Revolving Loans made thereunder); provided, however, that in connection with a Limited Condition Transaction, the absence of an Event of Default shall be tested on the date specified in Section 1.4;
with respect to any Dollar denominated Incremental Term Loans in the form of broadly syndicated term “B” loans, if the all-in-yield (whether in the form of interest rate margins, including interest rate floors (subject to clause (1) of the first proviso in this clause (vii)), upfront fees or OID (with any OID being equated to interest margin based on an assumed four-year life to maturity)) with respect to the Incremental Term Loans made thereunder paid by any Borrower to all lenders generally (as determined by the Borrower Representative and the applicable Incremental Arranger) (but excluding any arrangement, commitment, ticking, structuring or other similar fees payable in connection therewith, which shall not be included and equated to interest rate) with respect to the Incremental Term Loans made thereunder exceeds the all-in-yield (after giving effect to interest rate margins (including the interest rate floors (subject to clause (1) of the first proviso in this clause (vii)) and OID (equated to interest based on an assumed four-year life to maturity or, if shorter, the remaining life to maturity thereof) paid by any Borrower to all lenders generally (computed in a manner consistent with the foregoing) with respect to the Initial Term Loans that are denominated in the same currency as such Incremental Term Loans, as the case may be, after giving effect to any increase or repricing thereof that has theretofore become effective (it being understood that if any such repricing was effected as a refinancing tranche, the OID applicable to the refinanced loans shall be taken into account), by more than 50 basis points (the amount of such excess above 50 basis points being referred to herein as the “Incremental Yield Differential”), then, upon the effectiveness of such Incremental Amendment, the Applicable Margin then in effect for such Initial Term Loans denominated in the same currency shall automatically be increased by the Incremental Yield Differential (this clause (vii), after giving effect to the final proviso to this clause (vii), the “MFN Provision”); provided, (1) if the Incremental Term Loans include an interest-rate floor greater than the interest rate floor applicable to such Term Loans would cause an increase in the Applicable Margin, and in such case either the interest rate floor or the Applicable Margin (at the election of the Borrower Representative) applicable to such Term Loans shall be increased to the extent of such differential between interest rate floors and (2) any Incremental Term Loans that constitute fixed-rate Indebtedness shall be swapped to a floating rate on a customary matched-maturity basis; provided further that the MFN Provision shall not apply to (A) any Incremental Term Loans having an aggregate principal amount not exceeding the greater of $250,000,000 and 75% of Consolidated EBITDA as of the most recently ended Reference Period (as selected by the Borrower Representative), (B) Incremental Term Loans scheduled to mature on or after the date that is one year after the Term Loan Maturity Date as of the Closing Date, (C) Incremental Term Loans incurred after the date that is 18 months after the Closing Date or (D) Incremental Term Loans incurred in connection with an acquisition or other Investment permitted hereunder;

the Incremental Term Loans, Additional/Replacement Revolving Commitments and Revolving Commitment Increases may be denominated in Dollars, any Alternative Currency and any other currency acceptable to the Incremental Arranger and the applicable Incremental Term Lenders or Incremental Revolving Lenders, as the case may be;
(ix) no Incremental Term Loans, Additional/Replacement Revolving Commitments and Revolving Commitment Increases may be secured by any assets other than the Collateral and no Incremental Term Loans and Revolving Commitment Increases shall be guaranteed by any person other than the Borrowers and the Guarantors;

(x) any Incremental Term Loans may provide for the ability to participate (A) on a pro rata basis or non-pro rata basis in any voluntary prepayment of Term Loans made pursuant to Section 2.10(a) and (B) on a pro rata or less than pro rata basis (but not on a greater than pro rata basis, other than in the case of prepayment with proceeds of Indebtedness refinancing such Incremental Term Loans) in any mandatory prepayment of Term Loans required pursuant to Section 2.11;

(xi) except as otherwise required or permitted by the foregoing, all other terms of any Incremental Term Loans shall be as agreed between the applicable Borrowers and the Incremental Term Lenders; provided that if such Incremental Term Loans benefit from a financial covenant that is more restrictive than Section 7.1 of this Agreement, such financial covenant shall be either (A) conformed (or added) to the Loan Documents for the benefit of the Revolving Lenders pursuant to an amendment agreement between the Administrative Agent and the applicable Borrowers or (B) applicable only to periods after the Revolving Termination Date or otherwise reasonably satisfactory to the Administrative Agent; and

(xii) no Additional/Replacement Revolving Commitments may be provided by an Affiliate of UK Holdco.

(b) The Revolving Commitment Increases shall be treated substantially the same as the Revolving Commitments being increased, and shall be considered to be part of the Class of Revolving Facility being increased (it being understood that (x) if required to consummate the provision of Revolving Commitment Increases, the pricing, interest rate margins, rate floors and facility fees on the Class of Revolving Commitments being increased may be increased and additional upfront or similar fees may be payable to the lenders providing the Revolving Commitment Increase (without any requirement to pay such fees to any existing Revolving Lenders or the requirement to obtain the consent of any Lender) and (y) other terms that are more favorable to the lenders providing the Revolving Commitment Increase may be incorporated into this Agreement (or any other applicable Loan Document) for the benefit of the Class of Revolving Commitments being increased without the need for the consent of any Lender). Each notice from the Borrower Representative to the Administrative Agent and the Incremental Arranger pursuant to Section 2.25(a) shall set forth the requested amount and principal proposed terms of the relevant Incremental Term Loans, Additional/Replacement Revolving Commitments or Revolving Commitment Increase.
(c) Incremental Term Loans may be made, and Additional/Replacement Revolving Commitments and Revolving Commitment Increases may be provided, by any existing Lender or any Additional Lender (provided that no existing Lender shall be obligated to provide any portion of any Incremental Facility), in each case on terms permitted in this Section 2.25, and, to the extent not permitted in this Section 2.25, all terms and documentation with respect to any Incremental Term Loan, Additional/Replacement Revolving Commitments or Revolving Commitment Increase which relate to provisions of a mechanical (including with respect to the Collateral and currency mechanics) or administrative nature, shall in each case be reasonably satisfactory to the Administrative Agent; provided that the Administrative Agent shall not be required to execute, accept or acknowledge any Incremental Amendment (as defined below) or related documentation which contains (by express language or omission) any material deviation from the terms of this Section 2.25. Commitments in respect of Incremental Term Loans, Additional/Replacement Revolving Commitments and Revolving Commitment Increases shall become Commitments (or in the case of a Revolving Commitment Increase to be provided by an existing Revolving Lender, an increase in such Lender’s applicable Revolving Commitment) under this Agreement pursuant to an amendment (an “Incremental Amendment”) to this Agreement and, as appropriate, the other Loan Documents, executed by the Borrower Representative, each Lender agreeing to provide such Commitment, if any, each Additional Lender, if any, and, in the case of an Incremental Facility incurred by a Subsidiary Guarantor, such Subsidiary Guarantor (it being understood and agreed that any such Subsidiary Guarantor shall be organized in an Applicable Jurisdiction). The Incremental Amendment may, without the consent of any other Lenders, effect such amendments to this Agreement and the other Loan Documents as may be necessary or appropriate, in the reasonable opinion of the Incremental Arranger and the Borrower Representative, to effect the provisions of this Section (including (i) any amendments that are not adverse to the interests of any Lender that are made to effectuate changes necessary to enable any Incremental Term Loans that are intended to be fungible with an existing Class of Term Loans to be fungible with such Term Loans, which shall include any amendments to Section 2.3 that do not reduce the ratable amortization received by each Lender thereunder and (ii) any amendments that are reasonably necessary to account for any Subsidiary Guarantor as a Borrower, in each case without the need for any further consent); provided that any terms relating to provisions of an operational nature (including with respect to the Collateral and currency mechanics) or administrative nature shall be reasonably satisfactory to the Administrative Agent. Notwithstanding anything in Section 5.2 to the contrary, the effectiveness of any Incremental Amendment and the occurrence of any credit event (including the making (but not the conversion or continuation) of a Loan and the issuance, increase in the amount, or extension of a Letter of Credit thereunder) pursuant to such Incremental Amendment shall be subject solely to the satisfaction of such conditions as the parties thereto shall agree and the conditions set forth in this Section 2.25 (the effective date of any such Incremental Amendment, an “Incremental Facility Closing Date”). The Borrowers will use the proceeds of the Incremental Term Loans, Additional/Replacement Revolving Commitments and Revolving Commitment Increases for any purpose not prohibited by this Agreement.
(d) Upon each Revolving Commitment Increase pursuant to this Section, each Revolving Lender immediately prior to such increase will automatically and without further act be deemed to have assigned to each Lender providing a portion of the Revolving Commitment Increase (each a “Revolving Commitment Increase Lender”) in respect of such increase, and each such Revolving Commitment Increase Lender will automatically and without further act be deemed to have assumed, a portion of such Revolving Lender’s participations hereunder in outstanding Letters of Credit and Swingline Loans such that, after giving effect to each such deemed assignment and assumption of participations, the percentage of the aggregate outstanding (i) participations hereunder in Letters of Credit and (ii) participations hereunder in Swingline Loans held by each Revolving Lender (including each such Revolving Commitment Increase Lender) will equal the percentage of the aggregate Revolving Commitments of all Revolving Lenders represented by such Revolving Lender’s Revolving Commitment and if, on the date of such increase, there are any Revolving Loans outstanding, such Revolving Loans shall on or prior to the effectiveness of such Revolving Commitment Increase either be prepaid from the proceeds of additional Revolving Loans made hereunder or assigned to a Revolving Commitment Increase Lender (in each case, reflecting such increase in Revolving Commitments, such that Revolving Loans are held ratably in accordance with each Revolving Lender’s Pro Rata Share, after giving effect to such increase), which prepayment or assignment shall be accompanied by accrued interest on the Revolving Loans being prepaid and any costs incurred by any Lender in accordance with Section 2.21 (it being understood that the foregoing provisions shall apply only to an increase in the amount of the Revolving Commitments of any Class and not to any additional tranches of Revolving Loans). The Administrative Agent and the Lenders hereby agree that the minimum borrowing, pro rata borrowing and pro rata payment requirements contained elsewhere in this Agreement shall not apply to the transactions effected pursuant to the immediately preceding sentence. For the avoidance of doubt, this Section 2.25(d) shall apply only to such Class of Revolving Commitments that are the same Class as the Incremental Revolving Loans and shall not apply to any other Class of Revolving Loans.

(e) Notwithstanding anything to the contrary herein, this Section 2.25 shall supersede any provisions in Sections 2.17, 5.2 or 11.1 to the contrary and Section 2.17 shall be deemed to be amended to implement any Incremental Amendment.

(f) If the Incremental Arranger is not the Administrative Agent, the actions authorized to be taken by the Incremental Arranger herein shall be done in consultation with the Administrative Agent and, with respect to the preparation of any documentation necessary or appropriate to carry out the provisions of this Section 2.25 (including amendments to this Agreement and the other Loan Documents), any comments to such documentation reasonably requested by the Administrative Agent shall be reflected therein.

2.26 Refinancing Amendments.

(a) At any time after the Closing Date, a Borrower or Subsidiary Guarantor may obtain, from any Lender or any Additional Lender, Permitted Credit Agreement Refinancing Debt in respect of (1) all or any portion of the Term Loans then outstanding under this Agreement (which for purposes of this clause (1) will be deemed to include any then outstanding Other Term Loans) or (2) all or any portion of the Revolving Loans (or unused Revolving Commitments) under this Agreement (which for purposes of this clause (2) will be deemed to include any then outstanding Other Revolving Loans and Other Revolving Commitments), in the form of (x) Other Term Loans or Other Term Commitments or (y) Other Revolving Loans or Other Revolving Commitments, as the case may be, in each case pursuant to a Refinancing Amendment; provided that such Permitted Credit Agreement Refinancing Debt:

(i) shall not be permitted to rank senior in right of payment or security to the other Loans and Commitments hereunder;
(ii) will have such pricing, premiums, optional prepayment terms and financial covenants as may be agreed by the Borrower Representative and the Lenders thereof;

(iii) (x) with respect to any Other Revolving Loans or Other Revolving Commitments, will have a maturity date that is not prior to the maturity date of Revolving Loans (or unused Revolving Commitments) being Refinanced and (y) other than Customary Bridge Financings and Indebtedness incurred pursuant to the Inside Maturity Basket, with respect to any Other Term Loans or Other Term Commitments, will have a maturity date that is not prior to the maturity date of, and will have a Weighted Average Life to Maturity that is not shorter than, the remaining Weighted Average Life to Maturity of the Term Loans being Refinanced determined at the time of incurrence;

(iv) subject to clause (ii) above, will have terms and conditions that are (i) substantially identical to, or, taken as a whole, not materially more favorable to the Lenders or Additional Lenders providing such Permitted Credit Agreement Refinancing Debt than, the Refinanced Debt (as determined by the Borrower Representative in good faith), (ii) then-current market terms (as determined by the Borrower Representative in good faith at the time of incurrence or issuance (or the obtaining of a commitment with respect thereto)) for the applicable type of Indebtedness; provided that if such Permitted Credit Agreement Refinancing Debt benefits from a financial covenant that is more restrictive than Section 7.1 of this Agreement, such financial covenant shall be either (A) conformed (or added) to the Loan Documents for the benefit of the Revolving Lenders pursuant to an amendment agreement between the Administrative Agent and the applicable Borrowers or (B) applicable only to periods after the Revolving Termination Date or otherwise reasonably satisfactory to the Administrative Agent or (iii) reasonably acceptable to the Administrative Agent (it being understood that if any financial maintenance covenant or other more favorable provision is added for the benefit of any Permitted Credit Agreement Refinancing Debt, no consent shall be required from the Administrative Agent or any Lender to the extent that such financial maintenance covenant or other provision is (i) also added for the benefit of the Refinanced Debt, in which case such terms may be incorporated into this Agreement (or any other applicable Loan Document) for the benefit of the Refinanced Debt without further amendment or consent requirements or (ii) only applicable after the maturity of the Refinanced Debt);
(v) the proceeds of such Permitted Credit Agreement Refinancing Debt shall be applied, substantially concurrently with the incurrence thereof, to the prepayment of outstanding Term Loans or reduction of Revolving Commitments being so Refinanced (and repayment of Revolving Loans outstanding thereunder); and

(vi) shall not be secured by any assets other than the Collateral and shall not be guaranteed by any person other than the Borrowers and the Guarantors.

The effectiveness of any Refinancing Amendment shall be subject to the satisfaction on the date thereof of each of the conditions set forth in Section 5.2 (unless waived by the Lenders providing such Permitted Credit Agreement Refinancing Debt) and, to the extent reasonably requested by the Refinancing Arranger, receipt by the Refinancing Arranger of legal opinions, board resolutions, officers’ certificates and/or reaffirmation agreements consistent with those delivered on the Closing Date under Section 5.1 (other than changes to such legal opinions resulting from a change in law, change in facts or changes to counsel’s form of opinion). Any Refinancing Amendment may provide for the issuance of Letters of Credit for the account of the Borrower Representative or any Restricted Subsidiary, pursuant to any Other Revolving Commitments established thereby, in each case on terms substantially equivalent to the terms applicable to Letters of Credit under the Revolving Commitments subject to the approval of the Issuing Lenders.

(b) The Refinancing Arranger shall promptly notify each Lender as to the effectiveness of each Refinancing Amendment. Each of the parties hereto hereby agrees that, upon the effectiveness of any Refinancing Amendment, this Agreement shall be deemed amended to the extent (but only to the extent) necessary to reflect the existence and terms of the Permitted Credit Agreement Refinancing Debt incurred pursuant thereto (including any amendments necessary to treat the Loans and Commitments subject thereto as Other Term Loans, Other Revolving Loans, Other Revolving Commitments and/or Other Term Commitments).

(c) Any Refinancing Amendment may, without the consent of any other Lenders, effect such amendments to this Agreement and the other Loan Documents as may be necessary or appropriate, in the reasonable opinion of Refinancing Arranger and the Borrower Representative, in consultation with the Administrative Agent, to effect the provisions of this Section. In addition, if so provided in the relevant Refinancing Amendment and with the consent of each Issuing Lender, participations in Letters of Credit expiring on or after the then-existing Revolving Termination Date shall be reallocated on such date from Lenders holding Revolving Commitments to Lenders holding extended revolving commitments in accordance with the terms of such Refinancing Amendment; provided, however, that such participation interests shall, upon receipt thereof by the relevant Lenders holding revolving commitments, be deemed to be participation interests in respect of such revolving commitments and the terms of such participation interests (including the commission applicable thereto) shall be adjusted accordingly.

(d) Notwithstanding anything to the contrary in this Agreement, this Section 2.26 shall supersede any provisions in Sections 2.17 or 11.1 to the contrary and the Borrowers and the Administrative Agent may amend Section 2.17 to implement any Refinancing Amendment.

134
If the Refinancing Arranger is not the Administrative Agent, the actions authorized to be taken by the Refinancing Arranger herein shall be done in consultation with the Administrative Agent and, with respect to the preparation of any documentation necessary or appropriate to carry out the provisions of this Section 2.26 (including amendments to this Agreement and the other Loan Documents), any comments to such documentation reasonably requested by the Administrative Agent shall be reflected therein.

2.27 Defaulting Lenders.

(a) Adjustments. Notwithstanding anything to the contrary contained in this Agreement, if any Lender becomes a Defaulting Lender, then, until such time as that Lender is no longer a Defaulting Lender, to the extent permitted by applicable law:

(i) Waivers and Amendments. Such Defaulting Lender’s right to approve or disapprove any amendment, waiver or consent with respect to this Agreement shall be restricted as set forth in the definitions of “Required Lenders”, “Majority Revolving Lenders” and “Majority Term Lenders” and otherwise as set forth in Section 11.1.

(ii) Reallocation of Payments. Any payment of principal, interest, fees or other amounts received by the Administrative Agent for the account of such Defaulting Lender (whether voluntary or mandatory, at maturity, pursuant to Section 9 or otherwise, and including any amounts made available to the Administrative Agent by such Defaulting Lender pursuant to Section 11.8), shall be applied at such time or times as may be determined by the Administrative Agent as follows: first, to the payment of any amounts owing by such Defaulting Lender to the Administrative Agent hereunder; second, in the case of a Revolving Lender, to the payment on a pro rata basis of any amounts owing by such Defaulting Lender to the Issuing Lenders and the Swingline Lender hereunder; third, as the Borrowers may request (so long as no Default or Event of Default exists), to the funding of any Loan in respect of which such Defaulting Lender has failed to fund its portion thereof as required by this Agreement, as determined by the Administrative Agent; fourth, in the case of a Revolving Lender, if so determined by the Administrative Agent and the Borrowers, to be held in a non-interest bearing deposit account and released in order to satisfy obligations of such Defaulting Lender to fund Loans under this Agreement; fifth, to the payment of any amounts owing to the Lenders, the Issuing Lenders or the Swingline Lender as a result of any judgment of a court of competent jurisdiction obtained by any Lender, such Issuing Lender or the Swingline Lender against such Defaulting Lender as a result of such Defaulting Lender’s breach of its obligations under this Agreement; sixth, so long as no Default or Event of Default exists, to the payment of any amounts owing to the Borrowers as a result of any judgment of a court of competent jurisdiction obtained by the Borrowers against such Defaulting Lender as a result of such Defaulting Lender’s breach of its obligations under this Agreement; and seventh, to such Defaulting Lender or as otherwise directed by a court of competent jurisdiction; provided that if such payment is a payment of the principal amount of any Loans or L/C Advances and such Lender is a Defaulting Lender under clause (a) of the definition thereof, such payment shall be applied solely to pay the relevant Loans of, and L/C Advances owed to, the relevant non-Defaulting Lenders on a pro rata basis prior to being applied pursuant to Section 3.2(b). Any payments, prepayments or other amounts paid or payable to a Defaulting Lender that are applied (or held) to pay amounts owed by a Defaulting Lender or to post Cash Collateral pursuant to Section 3.2(b) shall be deemed paid to and redirected by such Defaulting Lender, and each Lender irrevocably consents hereto.
(iii) **Certain Fees.** Such Defaulting Lender shall not be entitled to receive or accrue Letter of Credit fees, any commitment fee pursuant to Section 2.8(a) or any default interest pursuant to Section 2.14(c) for any period during which that Lender is a Defaulting Lender (and the Borrowers shall not be required to pay any such fee or interest that otherwise would have been required to have been paid to such Defaulting Lender).

(iv) **Reallocation of Applicable Percentages to Reduce Fronting Exposure.** During any period in which there is a Defaulting Lender, for purposes of computing the amount of the obligation of each non-Defaulting Lender to acquire, Refinance or fund participations in Swingline Loans and Letters of Credit pursuant to Sections 2.7 and 3.4, respectively, the “Pro Rata Share” of each non-Defaulting Lender shall be computed without giving effect to the Revolving Commitment of such Defaulting Lender; provided that the aggregate obligation of each non-Defaulting Lender to acquire, Refinance or fund participations in Letters of Credit and Swingline Loans shall not exceed the positive difference, if any, of (1) the Revolving Commitment of such non-Defaulting Lender minus (2) the aggregate principal amount of the Revolving Loans of such Lender. In the event non-Defaulting Lenders’ obligations to acquire, Refinance or fund participations in Letters of Credit are increased as a result of a Defaulting Lender, then all Letter of Credit fees that would have been paid to such Defaulting Lender shall be paid to such non-Defaulting Lenders ratably in accordance with such increase of such non-Defaulting Lender’s obligations to acquire, Refinance or fund participations in Letters of Credit.
(b) **Defaulting Lender Cure.** If the Borrower Representative, the Administrative Agent, the Swingline Lender and each Issuing Lender agree in writing that a Defaulting Lender should no longer be deemed to be a Defaulting Lender, the Administrative Agent will so notify the parties hereto, whereupon as of the effective date specified in such notice and subject to any conditions set forth therein (which may include arrangements with respect to any cash collateral), such Lender will, to the extent applicable, purchase that portion of outstanding Loans of the other Lenders or take such other actions as the Administrative Agent may determine to be necessary to cause the Loans and funded and unfunded participations in Letters of Credit and Swingline Loans to be held on a **pro rata** basis by the Lenders in accordance with their Pro Rata Share (without giving effect to Section 2.27(a)(iv)), whereupon such Lender will cease to be a Defaulting Lender; provided that no adjustments will be made retroactively with respect to fees accrued or payments made by or on behalf of the Borrowers while such Lender was a Defaulting Lender; and provided, further, that except to the extent otherwise expressly agreed by the affected parties and subject to Section 11.16, no change hereunder from Defaulting Lender to Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender’s having been a Defaulting Lender.

(c) **No Release.** Subject to Section 11.16, the provisions hereof attributable to Defaulting Lenders shall not release or excuse any Defaulting Lender from failure to perform its obligations hereunder.

2.28 **Loan Modification Offers.**

(a) The Borrowers may, on one or more occasions, by written notice from the Borrower Representative to the Administrative Agent, make one or more offers (each, a “**Loan Modification Offer**”) to all the Lenders of one or more Classes on the same terms to each such Lender (each Class subject to such a Loan Modification Offer, a “**Specified Class**”) to make one or more Permitted Amendments pursuant to procedures reasonably specified by any Person that is not an Affiliate of any Borrower appointed by the Borrower Representative, after consultation (and, with respect to any documentation requiring execution of the Administrative Agent in its capacity as such, with the consent of the Administrative Agent, not to be unreasonably withheld, delayed or conditioned) with the Administrative Agent, as agent under such Loan Modification Agreement (as defined below) (such Person (who may be the Administrative Agent, if it so agrees), the “**Loan Modification Agent**”) and reasonably acceptable to the Borrower Representative; provided that (i) any such offer shall be made by the Borrowers to all Lenders of the Specified Class on a **pro rata** basis, (ii) [reserved], (iii) any applicable Minimum Extension Condition shall be satisfied unless waived by the Borrower Representative and (iv) in the case of any Permitted Amendment relating to the Revolving Commitments, each Issuing Lender and the Swingline Lender shall have approved such Permitted Amendment to the extent its commitment to issue Letters of Credit or make Swingline Loans, as applicable, is extended. Such notice shall set forth (i) the terms and conditions of the requested Permitted Amendment and (ii) the date on which such Permitted Amendment is requested to become effective (which shall not be less than 5 Business Days nor more than 45 Business Days after the date of such notice, unless otherwise agreed to by the Loan Modification Agent); provided that, notwithstanding anything to the contrary, assignments and participations of Specified Classes shall be governed by the same or, at the Borrower Representative’s discretion, more restrictive assignment and participation provisions than those set forth in Section 11.6. Permitted Amendments shall become effective only with respect to the Loans and Commitments of the Lenders of the Specified Class that accept the applicable Loan Modification Offer (such Lenders, the “**Accepting Lenders**”) and, in the case of any Accepting Lender, only with respect to such Lender’s Loans and Commitments of such Specified Class as to which such Lender’s acceptance has been made. No Lender shall have any obligation to accept any Loan Modification Offer.
(b) A Permitted Amendment shall be effected pursuant to an amendment to this Agreement (a “Loan Modification Agreement”) executed and delivered by the Borrower Representative and any other applicable Borrower, each applicable Accepting Lender and the Loan Modification Agent. The Loan Modification Agent shall promptly notify each Lender as to the effectiveness of each Loan Modification Agreement. Each Loan Modification Agreement may, without the consent of any Lender other than the applicable Accepting Lenders, effect such amendments to this Agreement and the other Loan Documents as may be necessary or appropriate, in the opinion of the Loan Modification Agent and the Borrower Representative, to give effect to the provisions of this Section 2.28, including any amendments necessary to treat the applicable Loans and/or Commitments of the Accepting Lenders as a new “Class” of loans and/or commitments hereunder; provided that (x) no Loan Modification Agreement may provide for (i) any Class resulting from a Loan Modification Agreement to be secured by any Collateral or other assets of any Group Member that does not also secure the Loans and (ii) so long as any Loans are outstanding, any mandatory prepayment provisions that do not also apply to the Loans of the Specified Class on a pro rata basis or greater than pro rata basis (or, with respect to prepayments made with proceeds of Permitted Credit Agreement Refinancing Debt, on a pro rata basis, less than pro rata basis or greater than pro rata basis), (y) in the case of any Loan Modification Offer relating to Revolving Commitments or Revolving Loans, except as otherwise agreed to by each Issuing Lender, (i) the allocation of the participation exposure with respect to any then-existing or subsequently issued Letter of Credit as between the commitments of such new “Class” and the remaining Revolving Commitments shall be made on a ratable basis as between the commitments of such new “Class” and the remaining Revolving Commitments and (ii) the Revolving Termination Date may not be extended without the prior written consent of each Issuing Lender whose commitment to issue Letters of Credit is extended and (z) the terms and conditions of the applicable Loans and/or Commitments of the Accepting Lenders (excluding pricing, fees, rate floors and optional prepayment or redemption terms) shall be substantially identical or (taken as a whole) shall be no more favorable to the Accepting Lenders than those applicable to the Specified Class (except for (1) financial covenants or other covenants or provisions applicable only to periods after the Latest Maturity Date at the time of such Loan Modification Offer, as may be agreed by the Borrower Representative and the Accepting Lenders, (2) any terms that are confirmed (or added) to the Loan Documents for the benefit of the lenders of the Specified Class pursuant to such Loan Modification Agreement and (3) pricing, premiums and fees).

(c) Subject to Section 2.28(b), the Borrowers may at their election specify as a condition (a “Minimum Extension Condition”) to consummating any such Loan Modification Agreement that a minimum amount (to be determined and specified in the relevant Loan Modification Offer in the Borrowers’ sole discretion and may be waived by the Borrowers) of Loans of any or all applicable Classes be extended.

(d) Notwithstanding anything to the contrary in this Agreement, this Section 2.28 shall supersede any provisions in Sections 2.17 or 11.1 to the contrary and the Borrowers and the Administrative Agent may amend Section 2.17 to implement any Loan Modification Agreement.

(e) If the Loan Modification Agent is not the Administrative Agent, the actions authorized to be taken by the Loan Modification Agent herein shall be done in consultation with the Administrative Agent and, with respect to the preparation of any documentation necessary or appropriate to carry out the provisions of this Section 2.28 (including amendments to this Agreement and the other Loan Documents), any comments to such documentation reasonably requested by the Administrative Agent shall be reflected therein.

138
The Administrative Agent shall determine the Dollar Amount of each Revolving Loan denominated in an Alternative Currency and L/C Obligation in respect of Letters of Credit denominated in an Alternative Currency (i) for Revolving Loans, as of the first day of each Interest Period applicable thereto, (ii) upon the issuance and increase of any Letter of Credit denominated in an Alternative Currency, (iii) as of the end of each fiscal quarter of UK Holdco and (iv) from time to time in its discretion, and shall promptly notify the Borrower Representative, the Revolving Borrowers and the Revolving Lenders of each Dollar Amount so determined by it. Each such determination shall be based on the Exchange Rate on the date of the related Borrowing request for purposes of the initial such determination for any Revolving Loan.

2.30 Additional Alternative Currencies.

(a) The Borrower Representative (on behalf of any Additional Revolving Borrower) may from time to time request that Revolving Loans be made and/or Letters of Credit be issued in a currency other than those specifically listed in the definition of “Alternative Currency”; provided that such requested currency is a lawful currency that is readily available and freely transferable and convertible into Euros. In the case of any such request with respect to the making of Revolving Loans, such request shall be subject to the approval of the Administrative Agent and the Revolving Lenders; and, in the case of any such request with respect to the issuance of Letters of Credit, such request shall be subject to the approval of the Administrative Agent and the applicable Issuing Lender.

(b) Any such request shall be made to the Administrative Agent not later than 11:00 a.m. (New York City time) fifteen Business Days prior to the date of the desired Borrowing (or such other time or date as may be agreed by the Administrative Agent and, in the case of any such request pertaining to Letters of Credit, the relevant Issuing Lender, in its or their sole discretion). In the case of any such request pertaining to Revolving Loans, the Administrative Agent shall promptly notify each Revolving Lender thereof and in the case of any such request pertaining to Letters of Credit, the Administrative Agent shall promptly notify the relevant Issuing Lender. Each such Revolving Lender (in the case of any such request pertaining to Revolving Loans) or the Issuing Lender (in the case of a request pertaining to Letters of Credit) shall notify the Administrative Agent, not later than 11:00 a.m. (New York City time), ten Business Days after receipt of such request whether it consents, in its sole discretion, to the making of Revolving Loans or the issuance of Letters of Credit, as the case may be, in the requested currency.

(c) Any failure by any Revolving Lender or any Issuing Lender, as the case may be, to respond to such request within the time period specified in the preceding paragraph (b) shall be deemed to be a refusal by such Revolving Lender or Issuing Lender, as the case may be, to permit Revolving Loans to be made or Letters of Credit to be issued in such requested currency. If the Administrative Agent and all the Revolving Lenders that would be obligated to make Revolving Loans denominated in such requested currency consent to making Revolving Loans in such requested currency, the Administrative Agent shall so notify the Borrower Representative and such currency shall thereupon be deemed for all purposes to be an Alternative Currency hereunder for purposes of any Borrowings of Revolving Loans; and if the Administrative Agent and the relevant Issuing Lender consent to the issuance of Letters of Credit in such requested currency, the Administrative Agent shall so notify the Borrower Representative and such currency shall thereupon be deemed for all purposes to be an Alternative Currency hereunder for purposes of any Letter of Credit issuances. If the Administrative Agent shall fail to obtain the requisite consent to any request for an additional currency under this Section 2.30, the Administrative Agent shall promptly so notify the Borrower Representative.
SECTION 3.
LETTERS OF CREDIT

3.1 L/C Commitment.

(a) Subject to the terms and conditions hereof, each Issuing Lender, in reliance on the agreements of the other Revolving Lenders set forth in Section 3.4(a), agrees to issue standby letters of credit and, to the extent agreed to by an Issuing Lender, bank guarantees and commercial letters of credit providing for the payment of cash upon the honoring of a presentation thereunder (collectively with the Existing Letters of Credit, "Letters of Credit") for the account of UK Holdco or the account of any of the Restricted Subsidiaries (provided that the Borrower Representative shall be an applicant, and be fully and unconditionally liable, with respect to each Letter of Credit issued for the account of a Restricted Subsidiary) on any Business Day prior to the date that is thirty (30) days prior to the Revolving Termination Date in such form as may be approved from time to time by the Issuing Lenders; provided that no Issuing Lender shall have any obligation to issue any Letter of Credit if, after giving effect to such issuance, (i) the L/C Obligations would exceed the L/C Commitment, (ii) the aggregate Dollar Amount of the Available Revolving Commitments would be less than zero or (iii) the L/C Obligation of such Issuing Lender would exceed its L/C Sublimit. Each Letter of Credit shall (i) be denominated in Dollars or one or more Alternative Currencies (any Letter of Credit denominated in an Alternative Currency, an “Alternative Currency Letter of Credit”); provided that Royal Bank of Canada, JPMorgan Chase Bank, N.A. and their respective affiliates shall not be required to issue Alternative Currency Letters of Credit without their consent; (ii) have a stated amount acceptable to the relevant Issuing Lender, (iii) expire no later than the earlier of (x) unless otherwise agreed by the applicable Issuing Lender, the first anniversary of its date of issuance, and (y) the date that is 3 Business Days prior to the Revolving Termination Date, provided that any Letter of Credit with the consent of the applicable Issuing Lender may provide for the renewal or extension thereof for additional one-year periods or such longer periods of time as may be agreed by the Issuing Lender (which shall in no event extend beyond the date referred to in clause (y) above, except to the extent the L/C Obligations under such Letter of Credit have been Cash Collateralized); provided, further, that the Issuing Lenders shall not renew or extend any such Letter of Credit if it has received written notice (or otherwise has knowledge) that an Event of Default has occurred and is continuing or any of the conditions set forth in Section 5.2 are not satisfied prior to the date of the decision to renew or extend such Letter of Credit) and (iv) be otherwise reasonably acceptable in all respects to the Issuing Lenders. Unless otherwise directed by the Issuing Lenders, the Borrower Representative shall not be required to make a specific request to an Issuing Lender for any such extension. Once any Letter of Credit has been issued that may be extended automatically pursuant to the foregoing, the Revolving Lenders shall be deemed to have authorized (but may not require) the Issuing Lenders to permit the extension of such Letter of Credit, including to the date that is 3 Business Days prior to the Revolving Termination Date. All Existing Letters of Credit shall be deemed to have been issued pursuant hereto, and from and after the Closing Date shall be subject to and governed by the terms and conditions hereof. Existing Letters of Credit shall constitute utilization of the Revolving Commitments. Notwithstanding anything herein to the contrary, in no event shall Goldman Sachs Bank USA or any other Issuing Bank be required to issue Letters of Credit other than standby letters of credit.
(b) No Issuing Lender shall at any time be obligated to issue any Letter of Credit (i) if such issuance would conflict with, or cause such Issuing Lender or any L/C Participant to exceed any limits imposed by, any applicable Requirement of Law, (ii) if any order, judgment or decree of any Governmental Authority or arbitrator shall by its terms purport to enjoin or restrain such Issuing Lender from issuing such Letter of Credit, or any Requirement of Law applicable to such Issuing Lender or any request or directive (whether or not having the force of law) from any Governmental Authority with jurisdiction over such Issuing Lender shall prohibit, or request that such Issuing Lender refrain from, the issuance of letters of credit generally or such Letter of Credit in particular or shall impose upon such Issuing Lender with respect to such Letter of Credit any restriction, reserve or capital requirement (for which such Issuing Lender is not otherwise compensated hereunder) not in effect on the Closing Date, or shall impose upon such Issuing Lender any unreimbursed loss, cost or expense which was not applicable on the Closing Date and which such Issuing Lender in good faith deems material to it or (iii) as otherwise provided in Section 3.2(b) below.

(c) Subject to the terms and conditions hereof, (i) Letters of Credit may be issued on the Closing Date to backstop or replace letters of credit outstanding on the Closing Date or (ii) all letters of credit issued for the account of the Borrower Representative or any Restricted Subsidiary and outstanding on the Closing Date and issued by an entity that is an Issuing Lender under this Agreement, which, by its execution of this Agreement, has agreed to act as an Issuing Lender hereunder and listed on Schedule 3.1 (each, an “Existing Letter of Credit”) shall automatically be continued hereunder on the Closing Date by the applicable Issuing Lender, and as of the Closing Date the Revolving Lenders shall acquire a participation therein as if such Existing Letter of Credit were issued hereunder, and each such Existing Letter of Credit shall be deemed a Letter of Credit for all purposes of this Agreement as of the Closing Date without any further action by the Borrower Representative.

3.2 Procedure for Issuance of Letter of Credit.

(a) The Borrower Representative may from time to time on any Business Day occurring from (or, in the case of any Letter of Credit permitted to be issued on the Closing Date, prior to) the Closing Date until the Revolving Termination Date request that an Issuing Lender issue a Letter of Credit by delivering to the relevant Issuing Lender, with a copy to the Administrative Agent, at its address for notices specified herein an Application therefor, completed to the satisfaction of such Issuing Lender, and such other certificates, documents and other papers and information as such Issuing Lender may request. Promptly upon receipt of any Application, the relevant Issuing Lender will confirm with the Administrative Agent that the Administrative Agent has received a copy of the Application, and if not, will furnish the Administrative Agent with a copy thereof. Unless such Issuing Lender has received written notice from the Administrative Agent or the Borrower Representative, at least two Business Days prior to the requested date of issuance, or one Business Day prior to the requested date of amendment, as appropriate, of the applicable Letter of Credit, that one or more of the conditions contained in Section 5 shall not then be satisfied, then, subject to the terms and conditions hereof, such Issuing Lender will process such Application and the certificates, documents and other papers and information delivered to it in connection therewith in accordance with its customary procedures and shall promptly issue the Letter of Credit requested thereby (but in no event shall any Issuing Lender be required to issue any Letter of Credit (a) earlier than (i) five Business Days, in the case of standby Letters of Credit or similar agreements or (ii) to the extent an Issuing Lender agrees to issue bank guarantees or commercial Letters of Credit, or similar agreements, such period of time as is acceptable to such Issuing Lender, or (b) later than 10 Business Days (or in each case such shorter period as may be agreed to by an Issuing Lender in any particular instance) after, its receipt of the Application therefor and all such other certificates, documents and other papers and information relating thereto) by issuing the original of such Letter of Credit to the beneficiary thereof or as otherwise may be agreed to by the Issuing Lenders and the Borrower Representative. Each Issuing Lender shall furnish a copy of such Letter of Credit to the Borrower Representative and the Administrative Agent promptly following the issuance thereof. The Administrative Agent shall promptly furnish to the Revolving Lenders notice of the issuance of each Letter of Credit (including the amount thereof).
(b) **Cash Collateral.** (i) If an Issuing Lender has honored any full or partial drawing request under any Letter of Credit and such drawing has resulted in an L/C Borrowing and the conditions set forth in Section 5.2 to a Revolving Borrowing cannot then be met, (ii) if, as of the Letter of Credit Expiration Date, any Letter of Credit may for any reason remain outstanding and partially or wholly undrawn, (iii) if any Event of Default occurs and is continuing and the Administrative Agent or the Required Lenders, as applicable, require the Revolving Borrowers to Cash Collateralize the L/C Obligations pursuant to Section 9.3 or (iv) an Event of Default set forth under Section 9.1(g) occurs and is continuing, then the Revolving Borrowers shall Cash Collateralize the then Outstanding Amount of all L/C Obligations (in an amount equal to such Outstanding Amount determined as of the date of such L/C Borrowing or the Letter of Credit Expiration Date, as the case may be), and shall do so not later than 2:00 p.m. (New York City time) on (x) in the case of the immediately preceding clauses (i) through (iii), (1) if the Borrower Representative receives notice thereof prior to 11:00 a.m. (New York City time), on any Business Day, on the Business Day immediately following receipt of such notice or (2) if the Borrower Representative receives notice thereof after 11:00 a.m. (New York City time), on any Business Day, on the second Business Day immediately following receipt of such notice and (y) in the case of the immediately preceding clause (iv), the Business Day on which an Event of Default set forth under Section 9.1(g) occurs or, if such day is not a Business Day, the Business Day immediately succeeding such day. At any time that there shall exist a Defaulting Lender, if any Defaulting Lender Fronting Exposure remains outstanding (after giving effect to Section 2.27(a)(iv)), then promptly upon the request of the Administrative Agent, each Issuing Lender or the Swingline Lender, the Revolving Borrowers shall Cash Collateralize the Defaulting Lender Fronting Exposure and deliver to the Administrative Agent Cash Collateral in an amount sufficient to cover such Defaulting Lender Fronting Exposure; provided that if any Defaulting Lender Fronting Exposure is not Cash Collateralized in accordance with the foregoing to the reasonable satisfaction of the Issuing Lenders, the Issuing Lenders shall have no obligation to issue new Letters of Credit or to extend, renew or amend existing Letters of Credit to the extent Letter of Credit exposure would exceed the commitments of the non-Defaulting Lenders. For purposes hereof, “Cash Collateralize” means to pledge and deposit with or deliver to the Administrative Agent, for the benefit of the relevant Issuing Lender and the Lenders, as collateral for the L/C Obligations, Cash Collateral pursuant to documentation in form and substance reasonably satisfactory to the Administrative Agent and the relevant Issuing Lender (which documents are hereby consented to by the Lenders). Derivatives of such term have corresponding meanings. The Revolving Borrowers hereby grant to the Administrative Agent, for the benefit of the Issuing Lenders and the Lenders, a security interest in all such cash, deposit accounts and all balances therein and all proceeds of the foregoing. Cash Collateral shall be maintained in a Cash Collateral Account and may be invested in readily available Cash Equivalents. If at any time the Administrative Agent reasonably determines that any funds held as Cash Collateral are subject to any right or claim of any Person other than the Administrative Agent (on behalf of the Secured Parties) or that the total amount of such funds is less than the aggregate Outstanding Amount of all L/C Obligations (or in the case of Cash Collateral provided with regard to Defaulting Lender Fronting Exposure, such amount of Defaulting Lender Fronting Exposure), the Revolving Borrowers will, forthwith upon demand by the Administrative Agent, pay to the Administrative Agent, as additional funds to be deposited and held in a Cash Collateral Account as aforesaid, an amount equal to the excess of (a) such aggregate Outstanding Amount over (b) the total amount of funds, if any, then held as Cash Collateral that the Administrative Agent reasonably determines to be free and clear of any such right and claim. Upon the drawing of any Letter of Credit for which funds are on deposit as Cash Collateral, such funds shall be applied, to the extent permitted under applicable Law, to reimburse the relevant Issuing Lender. To the extent the amount of any Cash Collateral exceeds the then Outstanding Amount of such L/C Obligations and so long as no Event of Default has occurred and is continuing, the excess shall be refunded to the Revolving Borrowers.
3.3 Fees and Other Charges.

(a) The Revolving Borrowers will pay a fee on the actual aggregate daily undrawn and unexpired amount of all outstanding Letters of Credit (as described in Section 3.9 hereof) at a per annum rate equal to the Applicable Margin then in effect with respect to Eurocurrency Loans under the Revolving Facility, less the amount of fronting fee referred to in the next sentence, shared ratably among the Revolving Lenders and payable quarterly in arrears on each applicable Fee Payment Date after the issuance date. In addition, the Revolving Borrowers shall pay to the applicable Issuing Lender for its own account a fronting fee which shall be the greater of $500 per annum (solely to the extent invoiced and to the extent Letters of Credit issued by such Issuing Lender are outstanding in the applicable period) and 0.125% per annum (or such lower fee as applicable Issuing Lender may agree) on the actual aggregate daily undrawn and unexpired amount of all such Issuing Lender’s Letters of Credit amounts (as described in Section 3.9 hereof) outstanding during the applicable period, payable quarterly in arrears on each applicable Fee Payment Date after the issuance date.

(b) In addition to the foregoing fees, the Revolving Borrowers shall pay or reimburse such Issuing Lender for such normal and customary costs and expenses as are incurred or charged by the Issuing Lender in issuing, negotiating, effecting payment under, amending or otherwise administering any Letter of Credit. Such costs and expenses shall be due and payable on demand and nonrefundable.

3.4 L/C Participations.

(a) The Issuing Lenders irrevocably agree to grant and hereby grant to each L/C Participant, and, to induce the Issuing Lenders to issue Letters of Credit, each L/C Participant irrevocably agrees to accept and purchase and hereby accepts and purchases from the Issuing Lenders, on the terms and conditions set forth below, for such L/C Participant’s own account and risk an undivided interest equal to such L/C Participant’s Revolving Percentage in the Issuing Lenders’ obligations and rights under and in respect of each Letter of Credit and the amount of each draft paid by an Issuing Lender thereunder. Each L/C Participant agrees with the Issuing Lenders that, if a draft is paid under any Letter of Credit for which an Issuing Lender is not reimbursed in full by the Revolving Borrowers in accordance with the terms of this Agreement, such L/C Participant shall pay to such Issuing Lender upon demand at such Issuing Lender’s address for notices specified herein an amount equal to such L/C Participant’s Revolving Percentage of the amount of such draft, or any part thereof, that is not so reimbursed. Each L/C Participant’s obligation to pay such amount shall be absolute and unconditional and shall not be affected by any circumstance, including (i) any setoff, counterclaim, recoupment, defense or other right that such L/C Participant may have against any Issuing Lender, the Revolving Borrowers, any other Group Member or any other Person for any reason whatsoever, (ii) the occurrence or continuance of a Default or an Event of Default or the failure to satisfy any of the other conditions specified in Section 5, (iii) any adverse change in the condition (financial or otherwise) of the Borrower Representative and the Restricted Subsidiaries, (iv) any breach of this Agreement or any other Loan Document by the Borrowers, any other Loan Party or any other L/C Participant or (v) any other circumstance, happening or event whatsoever, whether or not similar to any of the foregoing.
(b) If any amount required to be paid by any L/C Participant to an Issuing Lender pursuant to Section 3.4(a) in respect of any unreimbursed portion of any payment made by such Issuing Lender under any Letter of Credit is paid to such Issuing Lender within three Business Days after the date such payment is due, such L/C Participant shall pay to such Issuing Lender on demand an amount equal to the product of (i) such amount, times (ii) the daily Overnight Rate during the period from and including the date such payment is required to the date on which such payment is immediately available to the Issuing Lenders, times (iii) a fraction the numerator of which is the number of days that elapse during such period and the denominator of which is 360. If any such amount required to be paid by any L/C Participant pursuant to Section 3.4(a) is not made available to an Issuing Lender by such L/C Participant within three Business Days after the date such payment is due, such Issuing Lender shall be entitled to recover from such L/C Participant, on demand, such amount with interest thereon calculated from such due date at the rate per annum applicable to ABR Loans under the Revolving Facility. A certificate of an Issuing Lender submitted to any L/C Participant with respect to any amounts owing under this Section shall be conclusive in the absence of manifest error.

(c) Whenever, at any time after an Issuing Lender has made payment under any Letter of Credit and has received from any L/C Participant its pro rata share of such payment in accordance with Section 3.4(a), an Issuing Lender receives any payment related to such Letter of Credit (whether directly from the Borrower Representative or otherwise, including proceeds of collateral applied thereto by such Issuing Lender), or any payment of interest on account thereof, such Issuing Lender will distribute to such L/C Participant its pro rata share thereof; provided, however, that in the event that any such payment received by such Issuing Lender shall be required to be returned by such Issuing Lender, such L/C Participant shall return to such Issuing Lender the portion thereof previously distributed by such Issuing Lender to it.

3.5 Reimbursement Obligation of the Revolving Borrowers. Upon receipt from the beneficiary of any Letter of Credit of any notice of a drawing under such Letter of Credit, the applicable Issuing Lender shall promptly notify the Borrower Representative and the Administrative Agent thereof. If any drawing is paid under any Letter of Credit, the Revolving Borrowers shall reimburse the Issuing Lenders for the amount of (a) the drawing so paid and (b) any fees, charges or other costs or expenses incurred by such Issuing Lender in connection with such payment, not later than 3:00 p.m. (New York City time) on (x) if such notice of drawing is received (i) in the case of any drawing in any Alternative Currency, prior to 11:00 a.m. (London time) or (ii) in the case of any drawing in Dollars, prior to 11:00 a.m. (New York time), in each case, on the first Business Day following the date such drawing is paid by the Issuing Lenders and (y) otherwise, the second Business Day following the date such drawing is paid by the Issuing Lenders (the “Honor Date”). Each such payment shall be made to an Issuing Lender at its address for notices referred to herein in the currency in which the applicable Letter of Credit is denominated and in immediately available funds. If the Revolving Borrowers fail to reimburse an Issuing Lender on the Honor Date, interest shall be payable on any such amounts from the date on which the relevant drawing is paid until payment in full at the rate set forth in (x) until the second Business Day next succeeding the date of the relevant notice, Section 2.14(b) and (y) thereafter, Section 2.14(c).
3.6 Obligations Absolute. The Revolving Borrowers’ obligations under this Section 3 shall be absolute and unconditional under any and all circumstances and irrespective of any setoff, counterclaim or defense to payment that the Borrowers may have or have had against the Issuing Lenders, any beneficiary of a Letter of Credit or any other Person (it being understood that this provision shall not preclude the ability of the Borrowers to bring any claim for damages against any such Person who has acted with gross negligence or willful misconduct, as determined in a final and non-appealable decision of a court of competent jurisdiction). The Borrowers also agree with the Issuing Lenders that the Issuing Lenders shall not be responsible for, and the Revolving Borrowers’ Reimbursement Obligations under Section 3.5 shall not be affected by, among other things, the validity or genuineness of documents or of any endorsements thereon, even though such documents shall in fact prove to be invalid, fraudulent or forged, or any dispute between or among the Revolving Borrowers and any beneficiary of any Letter of Credit or any other party to which such Letter of Credit may be transferred or any claims whatsoever of the Revolving Borrowers against any beneficiary of such Letter of Credit or any such transferee. The Issuing Lenders shall not be liable for any error, omission, interruption or delay in transmission, dispatch or delivery of any message or advice, however transmitted, in connection with any Letter of Credit, except for errors or omissions found by a final and non-appealable decision of a court of competent jurisdiction to have resulted from the gross negligence or willful misconduct of the Issuing Lenders. The Revolving Borrowers agree that any action taken or omitted by the Issuing Lenders under or in connection with any Letter of Credit or the related drafts or documents, if done in the absence of gross negligence or willful misconduct (as determined in a final and non-appealable decision of a court of competent jurisdiction), shall be binding on the Revolving Borrowers and shall not result in any liability of the Issuing Lenders to the Revolving Borrowers.

3.7 Letter of Credit Payments. If any draft shall be presented for payment under any Letter of Credit, the applicable Issuing Lender shall promptly notify the Borrower Representative of the date and amount thereof. The responsibility of the applicable Issuing Lender to the Borrower Representative in connection with any draft presented for payment under any Letter of Credit shall, in addition to any payment obligation expressly provided for in such Letter of Credit, be limited to determining that the documents (including each draft) delivered under such Letter of Credit in connection with such presentment are in conformity with such Letter of Credit.

3.8 Applications. To the extent that any provision of any Application related to any Letter of Credit, or any other agreement submitted by the Borrower Representative to, or entered into by the Borrower Representative with, the Issuing Lenders or any other Person relating to any Letter of Credit, is inconsistent with the provisions of this Section 3, the provisions of this Section 3 shall control.

3.9 Letter of Credit Amounts. Unless otherwise specified herein, the amount of a Letter of Credit at any time shall be deemed to be the stated amount of such Letter of Credit in effect at such time; provided, however, that with respect to any Letter of Credit that, by its terms (or the terms of any applicable Application or other document, agreement or instrument entered into by the applicable Issuing Lender and the Borrower Representative (or Restricted Subsidiary, if applicable) or in favor of the applicable Issuing Lender and relating to such Letter of Credit) provides for one or more automatic increases in the stated amount thereof, the amount of such Letter of Credit shall be deemed to be the maximum stated amount of such Letter of Credit after giving effect to all such increases, whether or not such maximum stated amount is in effect at such time.
3.10 Alternative Currency Letters of Credit.

(a) With respect to any Alternative Currency Letter of Credit, the applicable Issuing Lender shall not later than the second Business Day of each month, recalculate the Dollar Amount of the L/C Obligations under such Letter of Credit by notionally converting into Dollars the Outstanding Amount of such L/C Obligations in accordance with Section 1.5(a) (a "Recalculation") and promptly deliver such Recalculation to the Administrative Agent.

(b) Each Issuing Lender shall provide the Administrative Agent with prompt notice (and in any event within one Business Day) of any issuance, increase, decrease, extension and/or termination of any Alternative Currency Letter of Credit;

(c) Each Issuing Lender shall provide the Administrative Agent with a consolidated list of all outstanding Alternative Currency Letters of Credit not later than 9:00 a.m. (New York time), two Business Days prior to the last Business Day of each March, June, September and December.

(d) The Administrative Agent shall use reasonable efforts to provide Letter of Credit fee invoices in connection with any Alternative Currency Letters of Credit on the applicable Fee Payment Date (or within five Business Days thereafter). Any discrepancies in fee calculations will be adjusted in the subsequent Fee Payment Date.

SECTION 4. REPRESENTATIONS AND WARRANTIES

To induce the Administrative Agent and the Lenders to enter into this Agreement and to make the Loans and issue or participate in the Letters of Credit, each Loan Party (but with respect to Holdings, solely as set forth herein) hereby jointly and severally represents and warrants to the Administrative Agent and each Lender, solely to the extent required by Section 5 hereof, that:

4.1 Financial Condition.

(a) [Reserved].

(b) The unaudited consolidated balance sheet at June 30, 2019 and related unaudited combined statements of operations, comprehensive income (loss), changes in equity and cash flows related to Clarivate Analytics plc and its combined Subsidiaries for the six months ended June 30, 2019 present fairly in all material respects the financial condition of Clarivate Analytics plc and its combined Subsidiaries as at such applicable date, and the results of its operations and its combined stockholder’s equity and cash flows for the six months then ended. All such financial statements, including the related schedules and notes thereto, have been prepared in all material respects in accordance with GAAP applied consistently throughout the periods involved.

(c) The audited consolidated balance sheet at December 31, 2018 and related combined statements of operations, comprehensive income (loss), changes in equity and cash flows related to Clarivate Analytics plc for the fiscal year ended December 31, 2018, in each case reported on by and accompanied by an unqualified report as to going concern or scope of audit from PricewaterhouseCoopers LLP, present fairly in all material respects the combined financial condition of Clarivate Analytics plc and its combined Subsidiaries as at such applicable date, and the combined results of its operations and its combined stockholder’s equity and cash flows for the respective fiscal year then ended. All such financial statements, including the related schedules and notes thereto, have been prepared in all material respects in accordance with GAAP applied consistently throughout the periods involved (except as approved by the aforementioned firm of accountants and disclosed therein).
4.2 No Change. Since December 31, 2018, there has been no development or event that has had or could reasonably be expected to have a Material Adverse Effect.

4.3 Existence; Compliance with Law. Each Group Member (a) is duly organized (or where applicable in the relevant jurisdiction, registered or incorporated), validly existing and (where applicable in the relevant jurisdiction) in good standing under the laws of the jurisdiction of its organization, registration or incorporation, as the case may be, (b) has the power and authority to own and operate its property, to lease the property it operates as lessee and to conduct the business in which it is currently engaged and (c) is in compliance with all Requirements of Law, except in the case of clauses (a) (as it relates to good standing and Group Members other than Holdings, UK Holdco and the Borrowers), (b) and (c) above, to the extent that the failure to comply therewith would not, in the aggregate, reasonably be expected to have a Material Adverse Effect.

4.4 Power; Authorization; Enforceable Obligations.

(a) Each Loan Party has the corporate or other organizational power and authority, and the legal right, to enter into, make, deliver and perform the Loan Documents to which it is a party and, in the case of the Borrowers, to obtain extensions of credit hereunder. Each Loan Party has taken all necessary corporate or other organizational action to authorize the execution, delivery and performance of the Loan Documents to which it is a party and, in the case of the Borrowers, to authorize the extensions of credit on the terms and conditions of this Agreement.

(b) No Governmental Approval or consent or authorization of, filing with, notice to or other act by or in respect of, any other Person is required in connection with the extensions of credit hereunder or with the execution, delivery, performance and validity or (under the laws of England and Wales or Luxembourg) to make admissible this Agreement or any of the Loan Documents in the courts of England and Wales or Luxembourg, except (i) Governmental Approvals, consents, authorizations, filings and notices that have been obtained or made and are in full force and effect, (ii) the filings referred to in Section 4.15, (iii) the Perfection Requirements and (iv) as would not reasonably be expected to result in a Material Adverse Effect.

(c) Each Loan Document has been duly executed and delivered on behalf of each applicable Loan Party. This Agreement constitutes, and each other Loan Document upon execution will constitute, a legal, valid and binding obligation of each applicable Loan Party, enforceable against each such Loan Party in accordance with its terms, except as enforceability may be limited by any Legal Reservations.

4.5 No Legal Bar. The execution, delivery and performance of this Agreement and the other Loan Documents, the issuance of Letters of Credit, the borrowings and guarantees hereunder and the use of the proceeds thereof (i) will not violate (x) any Requirement of Law, (y) any Contractual Obligation of Holdings or any Group Member that is material to Holdings and its Subsidiaries, taken as a whole, or (z) the Organizational Documents of any Loan Party, in the case of clauses (x) and (y), except as would not reasonably be expected to result in a Material Adverse Effect and (ii) will not result in, or require, the creation or imposition of any Lien on any of their respective properties or revenues pursuant to any Requirement of Law, any such Organizational Documents or any such Contractual Obligation (other than the Liens created by the Security Documents and Permitted Liens).
4.6 Litigation. No litigation, suit or proceeding of or before any arbitrator or Governmental Authority is pending or, to the knowledge of any Loan Party, threatened in writing by or against any Group Member or against any of their respective properties, assets or revenues that would reasonably be expected to have a Material Adverse Effect.

4.7 Ownership of Property; Liens. Each Group Member has title in fee simple to, or a valid leasehold interest in, all its real property, and good title to, or a valid leasehold interest in, all its other property, and none of such property is subject to any Lien except as permitted by Section 7.7 and except where the failure to have such title or other interest would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

4.8 Intellectual Property. Except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect, the Group Members own, or are licensed to use, all intellectual property necessary for the conduct in all material respects of the business of UK Holdco and the Restricted Subsidiaries, taken as a whole, as currently conducted. No material claim has been asserted and is pending by any Person challenging or questioning any Group Member’s use of any intellectual property or the validity or effectiveness of any Group Member’s intellectual property or alleging that the conduct of any Group Member’s business infringes or violates the rights of any Person, nor does UK Holdco or any other Loan Party know of any valid basis for any such claim except for such claims that would not reasonably be expected to impair or interfere in any material respect with the operations of the business conducted by UK Holdco and the Restricted Subsidiaries, taken as a whole, or result in a Material Adverse Effect.

4.9 Taxes. Except as set forth on Schedule 4.9 or as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect, (i) each Group Member has filed or caused to be filed all Tax returns that are required to be filed and has paid all Taxes shown to be due and payable on said returns or on any assessments made against it or any of its property by any Governmental Authority (other than any amount or validity of which are currently being contested in good faith by appropriate proceedings and with respect to which reserves in conformity with GAAP (or, in the case of any Foreign Subsidiary, the accounting principles applicable in the relevant jurisdiction) have been provided on the books of the relevant Group Member); and (ii) no tax Lien (other than any Liens for Taxes not yet due and payable) has been filed, and, to the knowledge of any of the Group Members, no claim is being asserted, with respect to any such Tax, fee or other charge.

4.10 Federal Regulations. No Group Member is engaged principally, or as one of its important activities, in the business of extending credit for the purpose, whether immediate, incidental or ultimate, of buying or carrying Margin Stock, and no part of the proceeds of any Loans, and no other extensions of credit hereunder, will be used for the purpose of buying or carrying Margin Stock in a manner or for any purpose that violates the provisions of Regulation U and Regulation X.

4.11 Employee Benefit Plans. Except as would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, (i) neither a Reportable Event nor a failure to meet the minimum funding standards of Section 412 or 430 of the Code or Section 302 or 303 of ERISA has occurred during the five-year period prior to the date on which this representation is made or deemed made with respect to any Plan, (ii) each Plan has been operated and maintained in compliance in all respects with applicable Law, including the applicable provisions of ERISA and the Code, and the governing documents for such Plan, (iii) no termination of a Single Employer Plan has occurred, and no Lien in favor of the PBGC or a Plan has arisen, during such five-year period, (iv) the present value of all accrued benefits under each Single Employer Plan (based on those assumptions used to fund such Plan) did not, as of the last annual valuation date prior to the date on which this representation is made or deemed made, exceed the value of the assets of such Plan allocable to such accrued benefits by a material amount, (v) neither UK Holdco nor any Commonly Controlled Entity has had a complete or partial withdrawal from any Multiemployer Plan that has resulted or could reasonably be expected to result in a material liability under ERISA, (vi) no such Multiemployer Plan is Insolvent, (vii) each Foreign Plan has been operated and maintained in compliance in all respects with applicable law and the governing documents for such plan and (viii) no Foreign Benefit Plan Event has occurred during the five-year period prior to the date on which this representation is made or deemed made with respect to any Foreign Plan.
4.12 Investment Company Act. No Loan Party is registered or required to be registered as an “investment company”, under the Investment Company Act of 1940, as amended.

4.13 Environmental Matters. Except as, in the aggregate, would not reasonably be expected to have a Material Adverse Effect:

   (a) the facilities and real properties currently owned, leased or operated by any Group Member (the “Properties”) do not contain, and (to the knowledge of the Group Members) have not previously contained, any Materials of Environmental Concern in amounts or concentrations or under circumstances that constitute or (to the knowledge of the Group Members) constituted a violation of any Environmental Law;

   (b) no Group Member has received any written notice of violation, alleged violation, non-compliance, liability or potential liability regarding environmental matters or compliance with Environmental Laws with regard to any of the Properties or the business operated by any Group Member (the “Business”), nor does any Group Member have knowledge that any such notice is being threatened;

   (c) Materials of Environmental Concern have not been released, generated, treated, stored or disposed of at, or transported from, the Properties in violation of, or in a manner that is reasonably expected to give rise to liability under, any Environmental Law;

   (d) no judicial proceeding or governmental or administrative action is pending or, to the knowledge of any Group Member, threatened, under any Environmental Law to which any Group Member is or, to the knowledge of the Group Member, will be named as a party with respect to the Properties or the Business, nor are there any consent decrees or other decrees, consent orders, administrative orders or other orders, or other judicial requirements outstanding under any Environmental Law with respect to the Properties or the Business;

   (e) the Properties and all operations at the Properties are in compliance, and (to the knowledge of the Group Members) have in the past five years been in compliance, with all applicable Environmental Laws;

   (f) to the knowledge of the Group Members, there are no past or present conditions, events, circumstances, facts, or activities that would reasonably be expected to give rise to any liability or other obligation for any Group Member under any Environmental Laws; and

   (g) no Group Member has assumed any liability of any other Person under Environmental Laws.
4.14 Accuracy of Information, etc. No statement or information concerning any Group Member or the Business contained in this Agreement, any other Loan Document, or any other document, certificate or written statement furnished by or on behalf of any Loan Party to the Administrative Agent or the Lenders, or any of them (except for projections, pro forma financial information and information of a general economic or industry nature), for use in connection with the transactions contemplated by this Agreement or the other Loan Documents, when taken as a whole and when taken together with any public filings made by UK Holdco or a parent entity thereof, contained, as of the date such statement, information, document or certificate was so furnished and after giving effect to all supplements and updates thereto, any untrue statement of a material fact or omitted to state a material fact necessary to make the statements contained herein or therein not materially misleading in light of the circumstances under which such statements were made. The projections and pro forma financial information, taken as a whole, contained in the materials referenced above are based upon good faith estimates and assumptions believed by management of the Borrower Representative to be reasonable at the time made and as of the Closing Date (with respect to such projections and pro forma financial information delivered prior to the Closing Date), it being recognized by the Lenders that such financial information as it relates to future events is not to be viewed as fact, forecasts and projections are subject to uncertainties and contingencies, actual results during the period or periods covered by such financial information may differ from the projected results set forth therein by a material amount and no assurance can be given that any forecast or projections will be realized.

4.15 Security Documents.

(a) Each of the Security Documents is effective to create in favor of the Administrative Agent, for the benefit of the Secured Parties, a legal, valid and, subject to any Legal Reservations, enforceable security interest in the Collateral described therein and proceeds thereof, subject to the relevant Perfection Requirements under applicable laws and as set forth in this Agreement and/or the other relevant Loan Documents (including the Collateral and Guarantee Principles, the Agreed Security Principles and the Intercreditor Agreement).

(b) Subject to the Collateral and Guarantee Principles, the Agreed Security Principles and the Perfection Requirements and only to the extent such Liens are intended to be created by the relevant Security Documents and required to be perfected under the Loan Documents, the Liens created by the Security Documents constitute fully perfected (or the equivalent under applicable law) first priority Liens (subject to Permitted Liens) so far as possible under relevant law on, and security interests in all right, title and interest of the grantors in such Collateral in each case free and clear of any Liens other than Liens permitted hereunder.

4.16 Solvency. As of the Closing Date (and after giving effect to the consummation of the Transactions to occur on the Closing Date), Holdings and its Subsidiaries, on a consolidated basis, after giving effect to the Transactions and the incurrence of all Indebtedness and obligations being incurred in connection herewith and therewith and the other transactions contemplated hereby and thereby, are Solvent.

4.17 Patriot Act; FCPA; OFAC; Sanctions.

(a) To the extent applicable, the Loan Parties and each of their Subsidiaries are in compliance in all material respects with U.S. and non-U.S. Laws relating to anti-money laundering including, without limitation, the Patriot Act.

(b) The Loan Parties and each of their Subsidiaries are in compliance in all material respects with all applicable Anti-Corruption Laws.
(c) None of the Loan Parties, nor any of their Subsidiaries or respective officers or directors, nor, to the knowledge of the Loan Parties, any employee or agent of the Loan Parties or any of their Subsidiaries is a Sanctioned Person. No Group Member is located, organized or resident in a country or territory that is the subject of comprehensive territorial Sanctions Laws (a “Sanctioned Country”) as of the Closing Date.

(d) The Loan Parties will not, directly or indirectly, use the proceeds of any Loans, or lend, contribute or otherwise make available such proceeds to any Subsidiary (or any joint ventures of the Loan Parties or any of their Subsidiaries), joint venture partner or other Person, to fund any activities of or business with any Sanctioned Person, or in any country or territory, that, at the time of such funding, is a Sanctioned Person or a Sanctioned Country, or in any other manner that will result in a violation by any Person (including any Person participating in any Loan transaction, whether as a Lender, advisor, or otherwise) of Sanctions Laws or applicable Anti-Corruption Laws; provided that the obligations in this clause (d) shall in no event be interpreted or applied in such a manner that the obligations hereunder would result in any Loan Party, any of its Subsidiaries or any Secured Party (or any director, officer or employee thereof) violating under any anti-boycott or blocking law, regulation or statute that is in force from time to time and applicable to such entity or person (including, without limitation, Council Regulation (EC) 2271/96).

(e) The representations and warranties contained in this Section 4.17 (A) made by any Restricted Subsidiary resident in Germany (Inländer) within the meaning of section 2 paragraph 15 of the German Foreign Trade Act (Außenwirtschaftsgesetz), are only made to the extent such relevant representation and/or warranty does not result in a violation of or conflict with section 7 of the German Foreign Trade Ordinance (Außenwirtschaftsverordnung) or any similar anti-boycott statute, and (B) given by any Loan Party to any Lender resident in Germany (Inländer) within the meaning of section 2 para. 15 of the German Foreign Trade Act (Außenwirtschaftsgesetz) are made only to the extent that any Lender resident in Germany (Inländer) within the meaning of section 2 para. 15 of the German Foreign Trade Act (Außenwirtschaftsgesetz) would be permitted to make such representation and warranties pursuant to section 7 of the German Foreign Trade Ordinance (Außenwirtschaftsverordnung).

4.18 Beneficial Ownership Certificate. As of the Closing Date, the information included in the Beneficial Ownership Certification, if applicable, is true and correct in all material respects.

4.19 Use of Proceeds. The Borrowers will (a) use the proceeds of the Initial Term Loans (other than, for the avoidance of doubt, the New Term Loans) and the Revolving Loans incurred on the Closing Date to finance a portion of the Transactions (including paying any fees, commissions and expenses associated therewith) and, (b) use the proceeds of the New Term Loans incurred on the Incremental Amendment Effective Date to finance a portion of the Incremental Facility Transactions (including paying any fees, commissions and expenses associated therewith) and (c) will use the proceeds of all other Borrowings to finance the working capital needs of UK Holdco and the Restricted Subsidiaries and for general corporate purposes of UK Holdco and the Restricted Subsidiaries (including without limitation capital expenditures, acquisitions, Investments and Restricted Payments permitted hereunder).

4.20 Governing Law and Enforcement. Subject to the Legal Reservations and Perfection Requirements, (i) the choice of governing law of the Loan Documents to which each Loan Party is a party will be recognized and enforced in its Relevant Jurisdiction and (ii) any judgment obtained in relation to a Loan Document to which each Loan Party is a party in the jurisdiction of the governing law of that Loan Document will be recognized and enforced in its Relevant Jurisdiction.
4.21 Centre of Main Interests. On the Closing Date, for the purposes of Regulation (EU) No. 2015/848 of the European Parliament and of the Council of 20 May 2015 on insolvency proceedings (recast) (the “Regulation”), the centre of main interest (as that term is used in Article 3(1) of the Regulation) of each Loan Party that is incorporated in a member state of the European Union or England & Wales is situated in its jurisdiction of incorporation and it has no “establishment” (as that term is used in Article 2(h) of that Regulation) in any other jurisdiction.

Notwithstanding anything herein or in any other Loan Document to the contrary, no officer of Holdings or any Group Member shall have any personal liability in connection with the representations and warranties and other certifications in this Agreement or any other Loan Document.

SECTION 5.
CONDITIONS PRECEDENT

5.1 Conditions to Closing Date. The agreement of each Lender to make the initial extension of credit requested to be made by it under this Agreement on the Closing Date is subject to the satisfaction, prior to or substantially concurrently with the making of such extension of credit on the Closing Date, of the following conditions precedent:

   (a) **Loan Documents.** The Administrative Agent shall have received:

   (i) this Agreement, executed and delivered by Holdings, the Borrowers, each Guarantor and each Person listed on Schedule 1.1A-1;

   (ii) the US Security Agreement, executed and delivered by the Loan Parties party thereto;

   (iii) the Intellectual Property Security Agreements, executed and delivered by the Loan Parties party thereto;

   (iv) each other Security Document as required pursuant to Schedule 1.1C, executed and delivered by the Loan Parties thereto;

   (v) each Note, executed and delivered by the Borrowers in favor of each Lender requesting the same;

   (vi) the Loan Note Instrument (Notes), executed and delivered by UK Holdco;

   (vii) the Loan Note Instrument (Term Loans), executed and delivered by UK Holdco; and

   (viii) a Borrowing Request, executed and delivered by the Borrower Representative.
(b) [Reserved].

(c) **Closing Date Refinancing.** Substantially contemporaneously with the funding of the Facilities, (i) the principal, accrued and unpaid interest, fees, premium, if any, and other amounts (other than (x) obligations not then due and payable or that by their terms survive the termination thereof and (y) certain existing letters of credit, bank guarantees, bankers’ acceptances and similar documents and instruments outstanding under the Existing Credit Agreement that on the Closing Date will be grandfathered into, or backstopped by, the Revolving Facility or cash collateralized in a manner satisfactory to the issuing banks thereof) under the Existing Credit Agreement will be repaid in full and all commitments to extend credit thereunder will be terminated and any security interests and guarantees in connection therewith shall be terminated and/or released (or arrangements for such repayment, termination and release shall have been made) and (ii) the Existing Senior Notes issued under the Existing Senior Notes Indenture will be redeemed (with a notice of redemption, which may be conditional upon closing of the Transactions, being delivered (and deposit of cash in an amount sufficient to redeem the Existing Senior Notes in full being made) on or prior to the Closing Date) and be irrevocably defeased or satisfied and discharged on or prior to the Closing Date in accordance with the terms of the Existing Senior Notes Indenture (together, the “Closing Date Refinancing”).

(d) [Reserved].

(e) **Fees.** The Lenders and the Administrative Agent shall have received all fees required to be paid on or prior to the Closing Date, and all reasonable out-of-pocket expenses required to be paid on the Closing Date for which reasonably detailed invoices have been presented (including the reasonable, fees and expenses of legal counsel to the Administrative Agent) to the Borrower Representative at least three Business Days prior to the Closing Date (or such later date as the Borrower Representative may reasonably agree), which amounts may be offset against the proceeds of the Facilities.
(f) **Closing Certificate; Certified Certificate of Incorporation; Good Standing Certificates.** The Administrative Agent shall have received (i) an Officer’s Certificate of or on behalf of each Loan Party, dated the Closing Date, in form and substance reasonably acceptable to the Administrative Agent, with appropriate insertions and attachments, including copies of resolutions of the Board of Directors and/or similar governing bodies of each Loan Party approving and authorizing the execution, delivery and performance of the Loan Documents to which it is a party and, in the case of the Borrowers, the borrowings hereunder, certified organizational authorizations (if required by applicable law or customary for market practice in the relevant jurisdiction), incumbency certifications, the certificate of incorporation or other similar Organizational Documents of each Loan Party certified by the relevant authority of the jurisdiction of organization, registration or incorporation of such Loan Party (only where customary in the applicable jurisdiction) and bylaws or other similar Organizational Documents of each Loan Party certified by a Responsible Officer as being in full force and effect on the Closing Date, (ii) a good standing certificate (to the extent such concept exists in the relevant jurisdictions) for each Loan Party from its jurisdiction of organization, registration or incorporation and (iii) in relation to the Lux Borrower, (A) an up-to-date electronic certified true and complete excerpt of the Companies Register dated no earlier than one Business Day prior to the Closing Date, (B) a solvency certificate dated as of the Closing Date (signed by a director or authorized signatory) that it is not subject to nor, as applicable, does it meet or threaten to meet the criteria of bankruptcy (faillite), insolvency, voluntary or judicial liquidation (liquidation volontaire ou judiciaire), composition with creditors (concordat préventif de faillite), controlled management (gestion contrôlée), reprieve from payment (sursis de paiement), general settlement with creditors, reorganization or similar laws affecting the rights of creditors generally and no application has been made or is to be made by its director or, as far as it is aware, by any other Person for the appointment of a commissaire, juge-commissaire, liquidateur, curateur or similar officer pursuant to any voluntary or judicial insolvency, winding-up, liquidation or similar proceedings, (C) an up-to-date electronic certified true and complete certificate of non-registration of judgments (certificat de non-inscription d’une décision judiciaire), issued by the Companies Register no earlier than one Business Day prior to the Closing Date and reflecting the situation no more than two Business Days prior to the Closing Date certifying that, as of the date of the day immediately preceding such certificate, the Lux Borrower has not been declared bankrupt (en faillite), and that it has not applied for general settlement or composition with creditors (concordat préventif de faillite), controlled management (gestion contrôlée), or reprieve from payment (sursis de paiement), judicial liquidation (liquidation judiciaire) or the appointment of a temporary administrator (administrateur provisoire), such other proceedings listed at Article 13, items 2 to 12 and Article 14 of the Luxembourg Act dated December 19, 2002 on the Register of Commerce and Companies, on Accounting and on Annual Accounts of the Companies (as amended from time to time) (and which include foreign court decisions as to faillite, concordat or analogous procedures according to Regulation (EU) 2015/848 of the European Parliament and of the Council of 20 May 2015 on insolvency proceedings (recast) and (D) an electronic certified copy of the resolution of its directors (or similar body) approving the Loan Documents to which it is party and approving the execution, delivery and performance of, and authorizing named persons to sign the Loan Documents to which it is party and any documents to be delivered by it under any of the same.

(g) **Legal Opinions.** The Administrative Agent shall have received the executed legal opinion of Davis Polk & Wardwell LLP, special New York counsel to the Loan Parties, and executed legal opinions of each local counsel to the Loan Parties or the Administrative Agent, as applicable, set forth on Schedule 5.1(g), each of which shall be in form and substance reasonably satisfactory to the Administrative Agent (provided that counsel to the Administrative Agent shall provide such opinions to the extent customary in any applicable jurisdiction).

(h) **Pledged Stock; Stock Powers; Pledged Notes.** Subject to the last paragraph of this Section 5.1, the Administrative Agent shall have received (i) the certificates representing the shares of Capital Stock (to the extent certificated) pledged or otherwise required to be delivered pursuant to the Security Documents to be entered into on the Closing Date (to the extent required to be delivered pursuant to such Security Documents and the Agreed Security Principles), together with (where applicable in the relevant jurisdiction) an undated stock power or other equity transfer form for each such certificate executed or endorsed in blank by a duly authorized signatory of the pledgor thereof and (ii) certificates evidencing the Loan Note Instruments.

(i) **Filings, Registrations and Recordings.** Subject to the last paragraph of this Section 5.1, each document (including any Uniform Commercial Code financing statement) required by the Security Documents or under law or reasonably requested by the Administrative Agent to be filed, registered or recorded in order to create in favor of the Administrative Agent, for the benefit of the Secured Parties, a perfected Lien on the Collateral described therein, prior and superior in right to any other Person (other than Permitted Liens), shall have been executed and delivered to the Administrative Agent in proper form for filing, registration or recordation (other than, with respect to any security interest granted by a Loan Party incorporated in England and Wales, registrations with the Companies House in England and Wales, which shall be effected within 21 days of creating a security interest granted by a Loan Party incorporated in England and Wales).
(j) **Solvency Certificate.** The Administrative Agent shall have received a Solvency Certificate, which shall certify that Holdings and its Subsidiaries on a consolidated basis are, and will after giving effect to the Transactions and the other transactions contemplated hereby be, Solvent.

(k) **Patriot Act; Beneficial Ownership Regulation.** The Administrative Agent and the Lenders (to the extent reasonably requested in writing at least 10 Business Days prior to the Closing Date) shall have received, at least three Business Days prior to the Closing Date, all documentation and other information about Holdings, UK Holdco and the Borrowers that the Administrative Agent reasonably determines to be required by Governmental Authorities under applicable “know your customer” and anti-money-laundering rules and regulations, including without limitation the Patriot Act and Beneficial Ownership Regulation.

(l) **Representations and Warranties.** Each of the representations and warranties made by any Loan Party in or pursuant to the Loan Documents shall be true and correct in all material respects (except where such representations and warranties are already qualified by materiality, in which case such representation and warranty shall be accurate in all respects) on and as of the Closing Date.

   Notwithstanding the foregoing, to the extent any Collateral or any security interest therein (other than Collateral with respect to which a lien or security interest may be perfected by (w) intellectual property security filings with the United States Patent and Trademark Office or the United States Copyright Office, (x) the filing of a financing statement under the Uniform Commercial Code, (y) the delivery of any promissory note or certificate evidencing the Loan Note Instruments, together with undated note powers, and (z) the delivery of any stock certificates, if any, together with undated stock powers executed in blank, by (I) Holdings, with respect to the Borrowers only and (II) with respect to all material wholly-owned restricted subsidiaries formed in the United States, in each case to the extent required by the Security Documents) is not provided or perfected on the Closing Date after the Borrowers’ use of commercially reasonable efforts to do so or cannot be provided or perfected without undue burden or expense, the provision and/or perfection of such security interests in such Collateral shall not constitute a condition precedent to the availability of any Facility on the Closing Date, but shall be required to be provided and/or perfected within 120 days after the Closing Date (or such later date as the Administrative Agent may agree in its reasonable discretion).

5.2 **Conditions to Each Borrowing Date.** Subject to the final paragraph of this Section 5.2, the agreement of each Lender to make any extension of credit requested to be made by it on any date is subject to the satisfaction of the following conditions precedent:

   (a) **Representations and Warranties.** Each of the representations and warranties made by any Loan Party in or pursuant to the Loan Documents shall be true and correct in all material respects (except where such representations and warranties are already qualified by materiality, in which case such representation and warranty shall be accurate in all respects) on and as of such date as if made on and as of such date, except to the extent such representations and warranties expressly relate to an earlier date, in which case such representations and warranties shall have been true and correct in all material respects (except where such representations and warranties are already qualified by materiality, in which case such representation and warranty shall be accurate in all respects) as of such earlier date.

   (b) **No Default.** No Default or Event of Default shall have occurred and be continuing on such date or after giving effect to the extensions of credit requested to be made on such date.
Notice. The Administrative Agent and, if applicable, the Issuing Lenders or the Swingline Lender, shall have received notice from the Borrower Representative, which, if in writing, may be in the form of a Borrowing Request.

Each borrowing by, and each issuance, renewal, extension, increase or amendment of a Letter of Credit on behalf of, the Revolving Borrowers hereunder shall constitute a representation and warranty by the Revolving Borrowers as of the date of such extension of credit that the conditions contained in this Section 5.2 have been satisfied.

Notwithstanding the foregoing, (x) the conditions set forth in clauses (a) and (b) of this Section 5.2 shall be qualified during the Clean-Up Period by the provisions of Section 9.6, (y) this Section 5.2 shall be subject to Section 1.4 in all respects and (z) the conditions in this Section 5.2 shall not apply in respect of any Incremental Facility, Refinancing Amendment or Permitted Amendment (which shall instead be governed by the relevant conditions applicable to each of the foregoing in accordance with this Agreement).

SECTION 6.
AFFIRMATIVE COVENANTS

Each Borrower and (solely with respect to Sections 6.1, 6.2, 6.3, 6.4, 6.6, 6.9, 6.11, 6.14, 6.16 and 6.19) Holdings hereby jointly and severally agree that, until the Termination Date, each Borrower and (solely with respect to Sections 6.1, 6.2, 6.3, 6.4, 6.6, 6.9, 6.11, 6.14, 6.16 and 6.19) Holdings will, and will cause each of its Restricted Subsidiaries to:

6.1 Financial Statements. Furnish to the Administrative Agent (who shall promptly furnish to each Lender):

(a) as soon as available, but in any event within 90 days after the last day of each fiscal year of UK Holdco, a copy of the audited consolidated balance sheet of UK Holdco and its consolidated Subsidiaries as at the end of such year and the related audited consolidated statements of income and of cash flows for such year, setting forth in each case in comparative form the figures for the previous year and accompanied by an opinion of PricewaterhouseCoopers LLP or other independent certified public accountants of recognized national standing, which opinion shall not be subject to qualification as to scope or contain any “going concern” qualification or exception other than with respect to or resulting from (i) the maturity of any Loans under this Agreement, the Senior Secured Notes or any other Indebtedness or (ii) any potential inability to satisfy any financial covenant on a future date or for a future period (provided that delivery within the time periods specified above of copies of the Annual Report on Form 10-K or Form 20-F of UK Holdco (or any direct or indirect parent company thereof) filed with the SEC (or the equivalent documents filed with a comparable agency in any applicable non-U.S. jurisdiction, provided such documents contain substantially the same scope of information as would be set forth in a Form 10-K or Form 20-F) shall be deemed to satisfy the requirements of this Section 6.1(a)); and

(b) as soon as available, but in any event within 45 days after the last day of the first three fiscal quarters of each fiscal year of UK Holdco, the unaudited consolidated balance sheet of UK Holdco and its consolidated Subsidiaries as at the end of such quarter and the related unaudited consolidated statements of income and of cash flows for such quarter and the portion of the fiscal year through the end of such quarter, setting forth in each case in comparative form the figures for the previous year, certified by a Responsible Officer as fairly stating in all material respects the financial position of UK Holdco and its consolidated Subsidiaries in accordance with GAAP for the period covered thereby (subject to normal year-end audit adjustments and the absence of footnotes) (provided that delivery within the time periods specified above of copies of the Quarterly Report on Form 10-Q or a Report of Foreign Private Issuer on Form 6-K (that includes substantially the same information as was included in Clarivate Holdings Limited’s Form 6-K dated May 15, 2019) of UK Holdco (or any direct or indirect parent company thereof) filed with the SEC (or the equivalent documents filed with a comparable agency in any applicable non-U.S. jurisdiction, provided such documents contain substantially the same scope of information as would be set forth in Form 10-Q or the aforementioned 6-K) shall be deemed to satisfy the requirements of this Section 6.1(b)).
All such consolidated financial statements shall be prepared (except as otherwise provided below) in all material respects in accordance with GAAP applied consistently (except to the extent any such inconsistent application of GAAP has been approved by such accountants (in the case of clause (a) above) or officer (in the case of clause (b) above), as the case may be, and disclosed in reasonable detail therein) consistently throughout the periods reflected therein and with prior periods (subject, in the case of quarterly financial statements, to normal year-end audit adjustments and the absence of footnotes), and all such financial statements shall include a presentation of Consolidated EBITDA.

Notwithstanding the foregoing, the obligations in Section 6.1(a) and Section 6.1(b) may be satisfied by furnishing, at the option of the Borrower Representative, the applicable financial statements or, as applicable, forecasts of (I) any predecessor or successor of UK Holdco or any entity meeting the requirements of clause (II) or (III) of this paragraph, (II) any other wholly-owned Restricted Subsidiary that, together with its consolidated Restricted Subsidiaries, constitutes substantially all of the assets of UK Holdco and its consolidated Subsidiaries (a “Qualified Reporting Subsidiary”) or (III) any Parent Holding Company, provided that to the extent such information relates to a Qualified Reporting Subsidiary or a Parent Holding Company, (x) such information is accompanied by consolidating information (which need not be audited) that explains in reasonable detail the differences between the information relating to such Qualified Reporting Subsidiary or such Parent Holding Company, on the one hand, and the information relating to UK Holdco and its Restricted Subsidiaries on a standalone basis, on the other hand and (y) solely in the case of a Qualified Reporting Subsidiary, neither such Parent Holding Company nor any Subsidiary of such Parent Holding Company (other than Holdings or such Qualified Reporting Subsidiary and its Subsidiaries) shall have any material assets or liabilities.

Notwithstanding the foregoing, in the event that UK Holdco or any Parent Holding Company of UK Holdco is or becomes a public reporting company and files a Form 10-K or Form 20-F (or other equivalent document), or Form 10-Q or Form 6-K (or other equivalent document), as contemplated pursuant to clauses (a) and (b) above, respectively, then UK Holdco shall satisfy the delivery requirements under this Section 6.1 upon the filing of such reports with the SEC or other securities commission or stock exchange; provided that if a Parent Holding Company of UK Holdco files such reports with the SEC or other securities commission or stock exchange, such Parent Holding Company of UK Holdco provides the consolidating information set forth in this paragraph.

For the avoidance of doubt, any financial statements or other reports delivered pursuant to this Section 6.1 (A) shall not be required to comply with Section 302, Section 404 or Section 906 of the Sarbanes-Oxley Act of 2002, or related Items 307 or 308 of Regulation S-K promulgated by the SEC, or Item 10(e) of Regulation S-K (with respect to any non-GAAP financial measures contained therein), (B) shall not be required to contain the separate financial information for any Loan Parties contemplated by Rule 3-05, Rule 3-09, Rule 3-10 or Rule 3-16 of Regulation S-X promulgated by the SEC (other than the consolidating information contemplated by the immediately preceding paragraph), (C) shall not be required to comply with Items 402, 405, 406, 407 and 601 of Regulation S-K promulgated by the SEC, (D) shall not be required to contain any exhibit (including any financial statements that would be required to be filed as an exhibit) and (E) shall not be required to comply with rules or regulations promulgated by the SEC concerning Extensible Business Reporting Language (XBRL).

157
6.2 Certificates; Other Information. Furnish to the Administrative Agent (who shall promptly furnish to each Lender) or, in the case of clause (g), to the relevant Lender:

(a) promptly upon the request of the Administrative Agent, in connection with the delivery of any financial statements or other information pursuant to Section 6.1 or this Section 6.2, confirmation of whether such statements or information contains any Private Lender Information. The Borrowers and each Lender acknowledge that certain of the Lenders may be “public-side” Lenders (Lenders that do not wish to receive material non-public information with respect to the Borrowers, Holdings, their respective Subsidiaries or their securities) (the “Public Lenders”) and, if documents or notices required to be delivered pursuant to Section 6.1 or this Section 6.2 or otherwise are being distributed through IntraLinks/IntraAgency, SyndTrak or another relevant website or other information platform (the “Platform”), any document or notice that Borrower Representative has indicated contains Private Lender Information shall not be posted on that portion of the Platform designated for such public-side Lenders, provided that if Borrower Representative has not indicated whether a document or notice delivered pursuant to Section 6.1 or this Section 6.2 contains Private Lender Information, the Administrative Agent reserves the right to post such document or notice solely on that portion of the Platform designated for Lenders who wish to receive material nonpublic information with respect to the Borrowers, Holdings, their respective Subsidiaries or their respective securities;

(b) [reserved];

(c) concurrently with the delivery of any financial statements pursuant to Section 6.1, (i) an Officer’s Certificate of Borrower Representative stating that such Responsible Officer has obtained no knowledge of any Default or Event of Default except as specified in such certificate, (ii) (x) a Compliance Certificate containing all information and calculations reasonably necessary for determining the Applicable Margin and, to the extent that a Financial Compliance Date occurred on the last day of the period covered by such financial statements, compliance by UK Holdco with the provisions of Section 7.1 of this Agreement as of the last day of the fiscal quarter or fiscal year of UK Holdco, as the case may be (and, with respect to each annual financial statement commencing with the annual financial statements for the fiscal year of UK Holdco ending December 31, 2020, the amount, if any, of Excess Cash Flow for such fiscal year together with the calculation thereof in reasonable detail), and (y) to the extent not previously disclosed to the Administrative Agent, a description of any change in the jurisdiction of organization of any Loan Party, and (iii) certifying a list of names of all Unrestricted Subsidiaries (if any) (or certifying as to any changes to such list since the delivery of the last such certificate) and that each Subsidiary set forth on such list individually qualifies as an Unrestricted Subsidiary;

(d) [reserved];

(e) simultaneously with the delivery of each set of consolidated financial statements referred to in Sections 6.1(a) and (b) above, a narrative discussion and analysis of the financial condition and results of operations of UK Holdco and its Restricted Subsidiaries for such fiscal quarter or fiscal year, as applicable, and for the period from the beginning of the then current fiscal year to the end of such fiscal quarter (or for the entire such fiscal year most recently ended in the case of such discussion and analysis given after the end of such fiscal year), as compared to the comparable periods of the previous year (provided that delivery within the time periods specified above of copies of the Quarterly Report on Form 10-Q or Foreign Private Issuer Report on Form 6-K and Annual Report on Form 10-K or 20-F, as applicable, of UK Holdco (or any direct or indirect parent company thereof) filed with the SEC (or the equivalent documents filed with a comparable agency in any applicable non-U.S. jurisdiction, provided such documents contain substantially the same scope of information as would be set forth in equivalent U.S. documents) shall be deemed to satisfy the requirements of this Section 6.2(e));
(f) promptly, copies of all financial statements and reports that UK Holdco and its Restricted Subsidiaries send generally to the holders of any class of their debt securities or public equity securities, acting in such capacity, and, within five days after the same are filed, copies of all financial statements and reports that UK Holdco or any Qualified Reporting Subsidiary filed with the SEC (or the equivalent documents filed with a comparable agency in any applicable non-U.S. jurisdiction, provided such documents contain substantially the same information as would be set forth in equivalent U.S. documents); provided that the obligations in this clause (f) shall be deemed to be satisfied if such financial statements and reports are publicly available;

(g) promptly following any Lender’s request therefor, all documentation and other information that such Lender reasonably requests in order to comply with its ongoing obligations under applicable “know your customer” and anti-money laundering or terrorist financing rules and regulations, including the Patriot Act and Beneficial Ownership Regulation;

(h) to the extent equivalent conference calls are required pursuant to the terms of the Senior Secured Notes, quarterly, at a time mutually agreed with the Administrative Agent that is promptly after the delivery of the information required pursuant to clause (a) and (b) above, but in no event earlier than is required with respect to the Senior Secured Notes, participate in a conference call for Lenders to discuss the financial condition and results of operations of UK Holdco and its Subsidiaries for the most recently-ended period for which financial statements have been or were required to have been delivered; and

(i) as promptly as reasonably practicable from time to time following the Administrative Agent’s request therefor, such other information regarding the operations, business affairs and financial condition of any Group Member, or compliance with the terms of any Loan Document, as the Administrative Agent may reasonably request.

Nothing in this Agreement or in any other Loan Document shall require any Loan Party to provide information (i) that constitutes non-financial trade secrets or non-financial proprietary information, (ii) in respect of which disclosure is prohibited by applicable Laws, (iii) that is subject to attorney-client or similar privilege or constitutes attorney work product or (iv) in respect of which Holdings, a Borrower or any Restricted Subsidiary owes confidentiality obligations to any third party (provided such confidentiality obligations were not entered into in contemplation of the requirements of this Agreement).

6.3 Payment of Taxes. Pay, discharge or otherwise satisfy at or before maturity or before they become delinquent, as the case may be, all its Tax obligations of whatever nature, except (i) where the failure to do so would not reasonably be expected to have a Material Adverse Effect or (ii) where the amount or validity thereof is currently being contested in good faith by appropriate proceedings and reserves in conformity with GAAP (or, in the case of any Foreign Subsidiary, the accounting principles applicable in the relevant jurisdiction) with respect thereto have been provided on the books of UK Holdco or the relevant Group Member.
6.4 Maintenance of Existence; Compliance with Law.

(a) (i) Preserve, renew and keep in full force and effect its organizational existence and (ii) take all reasonable action to maintain or obtain all Governmental Approvals and all other all rights, privileges and franchises, in each case necessary or desirable in the normal conduct of its business, except, in each case, as otherwise permitted by Section 7.5 or 7.8 or by the Security Documents and except, other than in the case of clause (i) with respect to Holdings, UK Holdco and the Lux Borrower, to the extent that failure to do so would not reasonably be expected to have a Material Adverse Effect;

(b) comply with all Requirements of Law except to the extent that failure to comply therewith would not, in the aggregate, reasonably be expected to have a Material Adverse Effect; provided that the requirements set forth in this Section 6.4, as they pertain to compliance by any Foreign Subsidiary with Sanctions are subject to and limited by any Requirement of Law applicable to such Foreign Subsidiary in its relevant local jurisdiction; and

(c) comply with all Governmental Approvals except to the extent that failure to do so would not reasonably be expected to have a Material Adverse Effect.

6.5 Maintenance of Property; Insurance.

(a) Keep all material tangible property useful and reasonably necessary in its business in good working order and condition, ordinary wear and tear and casualty and condemnation excepted, except to the extent the failure to do so would not reasonably be expected to have a Material Adverse Effect or as otherwise permitted by the Loan Documents and (b) maintain with insurance companies that the Borrower Representative believes (in the good faith judgment of the management of the Borrower Representative) are financially sound and responsible at the time the relevant coverage is placed or renewed insurance in at least such amounts (after giving effect to any self-insurance which the Borrower Representative believes (in the good faith judgment of management of the Borrower Representative) is reasonable and prudent in light of the size and nature of its business) and against at least such risks (and with such risk retentions) as the Borrower Representative believes (in the good faith judgment of management of the Borrower Representative) is reasonable and prudent in light of the size and nature of its business (it being agreed that in any event flood insurance shall not be required except to the extent required by applicable Law).

6.6 Inspection of Property; Books and Records; Discussions.

(a) Keep proper books of records and account containing entries of all material financial transactions and matters involving the assets and business of UK Holdco and its Restricted Subsidiaries that are full, true and correct in all material respects and permit the preparation of consolidated financial statements in accordance with GAAP and (b) permit, at the Borrowers’ expense, representatives of the Administrative Agent to visit and inspect any of its properties and examine and make abstracts from any of its books and records at any reasonable time during normal business hours, upon reasonable prior written notice, and as often as may reasonably be desired and to discuss the business, operations, properties and financial and other condition of the Group Members with officers and employees of the Group Members and with their independent certified public accountants; provided that (i) in no event shall there be more than one such visit for the Administrative Agent and its representatives as a group per calendar year except during the continuance of an Event of Default and (ii) the Borrowers shall have the right to be present during any discussions with accountants. Notwithstanding anything to the contrary in this Section 6.6 or Section 6.2 (i), none of the Group Members will be required to disclose, permit the inspection, examination or making copies or abstracts of, or discuss any document, information or other matter that (a) constitutes non-financial trade secrets or non-financial proprietary information, (b) in respect of which disclosure to the Administrative Agent or any Lender (or their respective representatives or contractors) is prohibited by Law or any binding agreement (other than any agreement with another Group Member or any Affiliate thereof), (c) is subject to attorney-client or similar privilege or constitutes attorney work product, (d) in respect of which Holdings, a Borrower or any Restricted Subsidiary owes confidentiality obligations to any third party (provided such confidentiality obligations were not entered into in contemplation of the requirements of this Agreement).
6.7 Notices. Promptly give notice to the Administrative Agent (who shall promptly furnish to each Lender) of:

(a) the occurrence of any Default or Event of Default;

(b) the following events where there is any reasonable likelihood of the imposition of liability on any Borrower as a result thereof that would be reasonably expected to have a Material Adverse Effect, promptly and in any event within 30 days after the Borrower Representative knows or has reason to know thereof: the occurrence of any Reportable Event with respect to any Plan, a failure to make any required contribution to a Plan in a material amount, the creation of any Lien on the assets of any Loan Party in favor of the PBGC or a Plan or any withdrawal from, or the termination or Insolvency of, any Multiemployer Plan that would result in the imposition of a material withdrawal liability; and

(c) any development or event that has had or would reasonably be expected to have a Material Adverse Effect.

Each notice pursuant to this Section 6.7 shall be accompanied by a statement of a Responsible Officer of the Borrower Representative setting forth details of the occurrence referred to therein and stating what action the relevant Group Member proposes to take with respect thereto.

6.8 Environmental Laws.

(a) Comply with, and take commercially reasonably action to ensure compliance by all tenants and subtenants, if any, with all applicable Environmental Laws, and obtain and comply with and maintain, and take commercially reasonably action to ensure that all tenants and subtenants obtain and comply with and maintain, any and all licenses, approvals, notifications, registrations or permits required by applicable Environmental Laws, except where the failure to do so would not reasonably be expected to result in a Material Adverse Effect.

(b) Conduct and complete all investigations, studies, sampling and testing, and all remedial, removal and other actions, required under Environmental Laws and promptly comply with all lawful orders and directives of all Governmental Authorities regarding Environmental Laws, except where the failure to do so would not reasonably be expected to result in a Material Adverse Effect, provided that no such actions shall be required to be undertaken to the extent that the applicable Group Member is contesting such action, order or directive in good faith and by proper proceedings, and appropriate reserves are being maintained with respect to such circumstances in accordance with GAAP.
(c) In the event that any Group Member shall fail timely to commence or cause to be commenced or fail diligently to prosecute to completion such actions, or fail to contest such action, order or directive in good faith, as provided in Section 6.8(b), allow the Administrative Agent (at its election) to cause such actions to be performed, and reasonably promptly pay all reasonable costs and expenses (including reasonable attorneys’ and consultants’ fees, charges and disbursements) incurred by the Administrative Agent in connection therewith, provided that the Administrative Agent shall not have the right to cause such actions to be performed for any underlying matter which would not reasonably be expected to result in a Material Adverse Effect.

6.9 Additional Collateral, etc.

(a) If any additional Restricted Subsidiary is formed or acquired after the Closing Date (including any Unrestricted Subsidiary that is designated as a Restricted Subsidiary), unless such Subsidiary is an Excluded Subsidiary, the Borrowers will, on or prior to the latest of (i) 60 days after such formation or acquisition, (ii) the date on which financial statements are required to be delivered pursuant to Section 6.1(a) or (b), as applicable, with respect to the fiscal quarter in which such Restricted Subsidiary was formed or acquired and (iii) such later date as the Administrative Agent shall reasonably agree, cause such Restricted Subsidiary to execute and to deliver to the Administrative Agent (1) a Guarantor Joinder Agreement, (2) subject to the Agreed Security Principles, applicable Security Documents substantially similar to other Loan Parties organized in the same jurisdiction or, if at such time there are no other Loan Parties in such jurisdiction, in respect of substantially all of its assets (other than any Excluded Assets) to the extent customary under applicable Law (as determined by the Borrower Representative and the Administrative Agent in good faith) and (3) if reasonably requested by the Administrative Agent, legal opinions relating to the matters described above, which opinions shall be in form and substance reasonably satisfactory to the Administrative Agent.

(b) [Reserved].

(c) Notwithstanding anything to the contrary in this Agreement or any other Loan Document, (i) in no event shall control agreements or perfection by control or similar arrangements be required with respect to any Collateral (including deposit or securities accounts, other than in respect of (x) delivery of the certificated Equity Interests in UK Holdco, the Borrowers and material wholly-owned Restricted Subsidiaries thereof to the extent constituting Collateral and required to be pledged and delivered pursuant to the Security Documents and (y) delivery of any intercompany notes (other than the Global Intercompany Note) and other promissory notes held by a Borrower or a Guarantor that constitute Collateral evidencing debt for borrowed money in a principal amount of at least $25,000,000 to the extent required to be pledged and delivered pursuant to the Security Documents, (ii) in no event shall Collateral include any Excluded Assets unless the Borrower Representative so elects, (iii) in no event shall entry into any source code escrow arrangements or the registration of any intellectual property be required, (iv) no perfection actions shall be required, nor shall the Administrative Agent or Collateral Agent be authorized to take any perfection or other actions, other than (A) with respect to US Loan Parties, (1) filings pursuant to the UCC in the office of the secretary of state (or similar central filing office) of the relevant state(s), (2) filings in the United States Copyright Office or the United States Patent and Trademark Office with respect to intellectual property and (3) subject to the Intercreditor Agreements, delivery to the Administrative Agent to be held in its possession of Collateral consisting of certificated Equity Interests, intercompany notes and other promissory notes described in clause (i) above and (B) the actions required by the applicable Security Documents to the extent consistent with the “Agreed Security Principles” set forth on Schedule 1.1B, (v) (A) no actions in any jurisdiction other than an Applicable Security Jurisdiction, or required by the laws of any jurisdiction other than an Applicable Security Jurisdiction, shall be required to be taken, nor shall the Administrative Agent or the Collateral Agent be authorized to take any such action, to create any security interests in assets located or titled outside of an Applicable Security Jurisdiction (including any Equity Interests of Subsidiaries organized under the laws of a jurisdiction other than an Applicable Security Jurisdiction) or to perfect or make enforceable any security interests in any such assets (it being understood that there shall be no security agreements or pledge agreements governed under the laws of any jurisdiction other than an Applicable Security Jurisdiction and all guarantee agreements shall be governed under the laws of the State of New York) and (B) the Security Documents shall be consistent with the “Agreed Security Principles” set forth on Schedule 1.1B and (vi) no Loan Party shall be required to seek any landlord lien waiver, estoppel, warehouseman waiver or other collateral access or similar letter or agreement (this paragraph, the “Collateral and Guarantee Principles”).
6.10 Credit Ratings. Use commercially reasonable efforts to maintain at all times a credit rating by each of S&P and Moody's in respect of the Facilities provided for under this Agreement and a corporate rating by S&P and a corporate family rating by Moody's for UK Holdco, Holdings or any Parent Holding Company (it being understood that there shall be no requirement to maintain any specific credit rating).

6.11 Further Assurances. At any time or from time to time upon the reasonable request of the Administrative Agent, at the expense of the Borrowers, promptly execute, acknowledge and deliver such further documents and do such other acts and things as the Administrative Agent may reasonably request in order to effect fully the purposes of the Loan Documents. In furtherance and not in limitation of the foregoing, the Loan Parties shall take such actions as the Administrative Agent may reasonably request from time to time (including the execution and delivery of guaranties, security agreements, pledge agreements, stock powers, financing statements and other documents, the filing or recording of any of the foregoing, and the delivery of stock certificates and other collateral with respect to which perfection is obtained by possession, in each case to the extent required by the applicable Security Documents) to ensure that the Obligations are guaranteed by the Guarantors, on a first priority basis (subject to Permitted Liens) and are secured by substantially all of the assets (other than those assets, including Excluded Assets, specifically excluded by the terms of this Agreement and the other Loan Documents) of the Loan Parties, in each case subject to the Agreed Security Principles.

6.12 Designation of Unrestricted Subsidiaries. The Borrower Representative may at any time after the Closing Date designate any Restricted Subsidiary as an Unrestricted Subsidiary and subsequently re-designate any Unrestricted Subsidiary as a Restricted Subsidiary, if other than for purposes of designating a Restricted Subsidiary as an Unrestricted Subsidiary that is a Receivables Subsidiary in connection with the establishment of a Qualified Receivables Financing (i) the Interest Coverage Ratio of UK Holdco and the Restricted Subsidiaries for the most recently ended Reference Period preceding such designation or re-designation, as applicable, would have been, on a Pro Forma Basis, at least the lesser of (x) 2.00 to 1.00 and (y) the Interest Coverage Ratio as of the most recently ended Reference Period and (ii) no Event of Default has occurred and is continuing or would result therefrom. The designation of any Restricted Subsidiary as an Unrestricted Subsidiary after the Closing Date shall constitute an Investment by the applicable Loan Party or Restricted Subsidiary therein at the date of designation in an amount equal to the Fair Market Value of the applicable Loan Party's or Restricted Subsidiary's investment therein; provided that if any subsidiary (a "Subject Subsidiary") being designated as an Unrestricted Subsidiary has a subsidiary that was previously designated as an Unrestricted Subsidiary (the "Previously Designated Unrestricted Subsidiary") in compliance with the provisions of this Agreement, the Investment of such Subject Subsidiary in such Previously Designated Unrestricted Subsidiary shall not be taken into account, and shall be excluded, in determining whether the Subject Subsidiary may be designated as an Unrestricted Subsidiary hereunder. The designation of any Unrestricted Subsidiary as a Restricted Subsidiary shall constitute (x) the incurrence at the time of designation of Indebtedness or Liens of such Subsidiary existing at such time, and (y) a return on any Investment by the applicable Loan Party or Restricted Subsidiary in Unrestricted Subsidiaries pursuant to the preceding sentence in an amount equal to the Fair Market Value at the date of such designation of such Loan Party’s or Restricted Subsidiary’s Investment in such Subsidiary. For the avoidance of doubt, neither a Borrower nor UK Holdco shall be permitted to be an Unrestricted Subsidiary. At any time a Subsidiary is designated as an Unrestricted Subsidiary hereunder, the Borrower Representative shall cause such Subsidiary to be designated as an Unrestricted Subsidiary (or any similar applicable term) under the Senior Secured Notes.
6.13 Employee Benefit Plans. (i) Maintain, and cause each Commonly Controlled Entity to maintain, all Plans that are presently in existence or may, from time to time, come into existence, in compliance with the terms of any such Plan, ERISA, the Code and all other applicable laws, except to the extent the failure to do so would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect; and (ii) maintain, or cause to be maintained, all Foreign Plans that are presently in existence or may, from time to time, come into existence, in compliance with the terms of any such Foreign Plan and all applicable laws, except to the extent the failure to do so would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

6.14 Use of Proceeds. The Borrowers will only use the proceeds of the Loans in accordance with Sections 4.17(d) and 4.19.

6.15 Post-Closing Matters. The Borrower Representative will, and will cause each of the Restricted Subsidiaries to, take each of the actions set forth on Schedule 6.15 within the time period prescribed therefor on such schedule (as such time period may be extended by the Administrative Agent).

6.16 FCPA; OFAC; Sanctions. The Loan Parties agree to maintain policies, procedures, and internal controls reasonably designed to ensure compliance with the Sanctions Laws, the Export Control Laws and the applicable Anti-Corruption Laws, provided that the obligations in this Section 6.16 shall in no event be interpreted or applied in such a manner that the obligations hereunder would result in any Loan Party or any of its Subsidiaries in each case resident in the United Kingdom, Luxembourg, Spain or Germany or any Secured Party resident in the European Union (or any director, officer or employee thereof) violating any anti-boycott or blocking law, regulation or statute that is in force from time to time and applicable to such entity or person (including, without limitation, Council Regulation (EC) 2271/96).

6.17 Centre of Main Interests. No Loan Party whose jurisdiction of incorporation is in a member state of the European Union or England & Wales shall do anything to change the location of its centre of main interests for the purposes of the Regulation (as defined in Section 4.21); provided that in respect of Loan Parties other than UK Holdco, Holdings and the Lux Borrower, such change of location shall be permitted if it would not be expected that such change would be materially adverse to the interests of the Lenders (taken as a whole).

6.18 Transactions with Affiliates.

(a) UK Holdco shall make, and shall ensure that its Restricted Subsidiaries make, only those payments to, or sales, leases, transfers or other dispositions of any of its properties or assets to, or purchases of property or assets from, or enter into or make or amend any transaction or series of transactions, contracts, agreements, understandings, loans, advances or guarantees with, or for the benefit of, any Affiliate of UK Holdco involving aggregate consideration in excess of the greater of $25,000,000 and 8% of Consolidated EBITDA as of the most recently ended Reference Period (each of the foregoing, an “Affiliate Transaction”), that are not materially less favorable to UK Holdco or the relevant Restricted Subsidiary than those that could have been obtained in a comparable transaction by UK Holdco or such Restricted Subsidiary with an unrelated Person.
(b) Notwithstanding clause (a), the following Affiliate Transactions shall be permitted:

(i) (A) transactions between or among Holdings, UK Holdco and/or any of the Restricted Subsidiaries (or an entity that becomes a Restricted Subsidiary as a result of such transaction), (B) [reserved] and (C) any merger or consolidation between or among UK Holdco and/or any direct parent company of UK Holdco, provided that such parent company shall have no material liabilities and no material assets other than cash, Cash Equivalents and the Capital Stock of UK Holdco and such merger or consolidation is otherwise in compliance with the terms of this Agreement and effected for a bona fide business purpose; provided, that upon giving effect to such merger or consolidation, the surviving Person shall be (or shall immediately become) a Loan Party and otherwise comply with the requirements of Section 6.9, and 100% of the Capital Stock of such surviving Person shall be pledged to the Administrative Agent in accordance with the terms of the Loan Documents;

(ii) (A) Restricted Payments permitted by Section 7.3 (including any payments that are exceptions to the definition of Restricted Payments set forth in Section 7.3(a)(i) through (iv)) and (B) Permitted Investments;

(iii) transactions pursuant to compensatory, benefit and incentive plans and agreements with officers, directors, managers or employees of UK Holdco (or any direct or indirect parent thereof) or any of the Restricted Subsidiaries approved by a majority of the Board of Directors of UK Holdco (or any direct or indirect parent thereof) in good faith;

(iv) the payment of reasonable and customary fees and reimbursements paid to, and indemnity and similar arrangements provided on behalf of, former, current or future officers, directors, managers, employees or consultants of UK Holdco or any Restricted Subsidiary or any direct or indirect parent of UK Holdco;

(v) transactions in which UK Holdco or any of the Restricted Subsidiaries, as the case may be, delivers to the Administrative Agent a letter from an Independent Financial Advisor stating that such transaction is fair to UK Holdco or such Restricted Subsidiary from a financial point of view or meets the requirements of clause (a) of this Section 6.18:
(vi) payments, loans or advances to employees or consultants or guarantees in respect thereof (or cancellation of loans, advances or guarantees) for bona fide business purposes in the ordinary course of business;

(vii) any agreement, instrument or arrangement as in effect as of the Closing Date or any transaction contemplated thereby, or any amendment thereto (so long as any such amendment is not disadvantageous to Lenders in any material respect when taken as a whole as compared to the applicable agreement as in effect on the Closing Date as determined by the Borrower Representative in good faith);

(viii) the existence of, or the performance by UK Holdco or any of the Restricted Subsidiaries of its obligations under, the terms of any stockholders or similar agreement (including any registration rights agreement or purchase agreement related thereto) to which it is a party as of the Closing Date, and any amendment thereto or similar transactions, agreements or arrangements which it may enter into thereafter; provided, however, that the existence of, or the performance by UK Holdco or any of the Restricted Subsidiaries of its obligations under, any future amendment to any such existing transaction, agreement or arrangement or under any similar transaction, agreement or arrangement entered into after the Closing Date shall only be permitted by this clause (viii) to the extent that the terms of any such existing transaction, agreement or arrangement together with all amendments thereto, taken as a whole, or new transaction, agreement or arrangement are not otherwise more disadvantageous to the Lenders in any material respect when taken as a whole as compared to the original transaction, agreement or arrangement as in effect on the Closing Date as determined by the Borrower Representative in good faith;

(ix) (A) transactions with customers, clients, suppliers or purchasers or sellers of goods or services, in each case in the ordinary course of business and otherwise in compliance with the terms of this Agreement, which are fair to UK Holdco and the Restricted Subsidiaries in the reasonable determination of the Borrower Representative, and are on terms at least as favorable as might reasonably have been obtained at such time from an unaffiliated party or (B) transactions with joint ventures or Unrestricted Subsidiaries entered into in the ordinary course of business;
(x) any transaction effected as part of a Qualified Receivables Financing;

(xi) the sale or issuance of Equity Interests (other than Disqualified Stock) of UK Holdco to Holdings (or a successor direct parent of UK Holdco);

(xii) [reserved];

(xiii) payments by UK Holdco or any of the Restricted Subsidiaries to the Sponsors made for any financial advisory, financing, underwriting or placement services or in respect of other investment banking activities, including, without limitation, in connection with acquisitions or divestitures, which payments are approved by a majority of the Board of Directors of UK Holdco or any direct or indirect parent of UK Holdco in good faith;

(xiv) any contribution to the capital of UK Holdco or any Restricted Subsidiary;

(xv) transactions permitted by, and complying with, the provisions of Section 7.5 or Section 7.8;

(xvi) [reserved];

(xvii) pledges of Equity Interests of Unrestricted Subsidiaries;

(xviii) any employment agreements, option plans and other similar arrangements entered into by UK Holdco or any of the Restricted Subsidiaries with employees or consultants in the ordinary course of business;

(xix) the issuances of securities or other payments, awards or grants in cash, securities or otherwise pursuant to, or the funding of, employment arrangements, stock option and stock ownership plans or similar employee benefit plans approved by the Board of Directors of UK Holdco or any direct or indirect parent of UK Holdco or of a Restricted Subsidiary, as appropriate, in good faith;
(xx) the entering into of any tax sharing agreement or arrangement and any payments permitted by Section 7.3(b)(xii) or, with respect to franchise or similar Taxes, by Section 7.3(b)(xiii)(1);

(xxi) transactions to effect the Transactions, including the making of the TRA Payment;

(xxii) any employment, consulting, service or termination agreement, or customary indemnification arrangements, entered into by UK Holdco or any of the Restricted Subsidiaries with current, former or future officers and employees of UK Holdco or any of its Restricted Subsidiaries and the payment of compensation to officers and employees of UK Holdco or any of its respective Restricted Subsidiaries (including amounts paid pursuant to employee benefit plans, employee stock option or similar plans), in each case in the ordinary course of business;

(xxiii) transactions with a Person that is an Affiliate of UK Holdco solely because UK Holdco, directly or indirectly, owns Equity Interests in, or controls, such Person entered into in the ordinary course of business;

(xxiv) transactions with Affiliates solely in their capacity as holders of Indebtedness or Equity Interests of UK Holdco or any of its Subsidiaries, so long as such transaction is with all holders of such class (and there are such non-Affiliate holders) and such Affiliates are treated no more favorably than all other holders of such class generally;

(xxv) any agreement that provides customary registration rights to the equity holders of UK Holdco or any direct or indirect parent of UK Holdco and the performance of such agreements;

(xxvi) payments to and from and transactions with any joint venture in the ordinary course of business; provided such joint venture is not controlled by an Affiliate (other than a Restricted Subsidiary) of UK Holdco; and

(xxvii) transactions between UK Holdco or any of its Restricted Subsidiaries and any Person that is an Affiliate thereof solely due to the fact that a director of such Person is also a director of UK Holdco or any direct or indirect parent of UK Holdco; provided, however, that such director abstains from voting as a director of UK Holdco or such direct or indirect parent of UK Holdco, as the case may be, on any matter involving such other Person.
6.19 Lines of Business; Holding Company.

(a) Holdings and UK Holdco will, and will permit the Restricted Subsidiaries to, enter into only those businesses that are Similar Businesses. UK Holdco will not issue any Capital Stock other than to Holdings.

(b) Holdings will ensure that its only material liabilities and material assets are, and that it will only conduct, transact or otherwise engage in any material business or operations, as follows: (i) Holdings’ ownership of the Equity Interests of UK Holdco and activities incidental thereto, (ii) the entry into, and the performance of its obligations with respect to, the Loan Documents, the Senior Secured Notes and other Indebtedness that has been guaranteed by, or is otherwise considered Indebtedness of, any Borrower or any of the Restricted Subsidiaries Incurred in accordance with Section 7.2; (iii) the consummation of the Transactions; (iv) the performing of activities (including, without limitation, cash management activities) and the entry into documentation with respect thereto, in each case, permitted by this Agreement for Holdings to enter into and perform; (v) the payment of dividends and distributions (and other activities in lieu thereof permitted by this Agreement), the making of contributions to the capital of its Subsidiaries and Guarantees of Indebtedness permitted to be incurred hereunder and the Guarantees of other obligations not constituting Indebtedness; (vi) the maintenance of its legal existence (including the ability to incur fees, costs and expenses relating to such maintenance and performance of activities relating to its officers, directors, managers and employees and those of its Subsidiaries); (vii) the performing of activities in preparation for and consummating any public offering of its common stock or any other issuance or sale of its Equity Interests (other than Disqualified Stock) including converting into another type of legal entity; (viii) the participation in Tax, accounting and other administrative matters as a member of any consolidated or similar group including UK Holdco, including compliance with applicable Laws and legal, Tax and accounting matters related thereto and activities relating to its officers, directors, managers and employees; (ix) the holding of any cash and Cash Equivalents (but not operating any property); (x) the entry into and performance of its obligations with respect to contracts and other arrangements, including the providing of indemnification to officers, managers, directors and employees; (xi) establishing and maintaining bank accounts; (xii) guaranteeing ordinary course obligations incurred by any of the Restricted Subsidiaries; (xiii) engaging in any activities incidental to compliance with the provisions of the Securities Act and the Exchange Act and similar laws and regulations of other jurisdictions and the rules of securities exchanges, in each case, as applicable to companies with listed equity or debt securities, as well as activities incidental to investor relations, shareholder meetings and reports to shareholders or debt-holders; and (xiv) any activities incidental to the foregoing. Holdings will cause UK Holdco to, and UK Holdco will, at all times remain a Wholly Owned Subsidiary of Holdings.
(a) The Lux Borrower (and any successor permitted under Section 6.18(b) and Section 7.8(a)) will ensure its only material liabilities and material assets are, and that it will only conduct, transact or otherwise engage in any material business or operations, as follows: (i) [reserved], (ii) the entry into, and the performance of its obligations under and with respect to the Loan Documents, the Senior Secured Notes Indenture and related documents and documentation relating to any Indebtedness or Investments permitted by the Loan Documents; (iii) the entry into, and the performance of its obligations under the Loan Note Instruments or any future similar instruments; (iv) the consummation of the Transactions; (v) the performing of activities (including, without limitation, cash management activities) and the entry into documentation with respect thereto, in each case, specifically and expressly contemplated by this Agreement for Lux Borrower to enter into and perform or incidental to such performance; (vi) the maintenance of its legal existence (including the ability to incur fees, costs and expenses relating to such maintenance and performance of activities relating to its officers, directors, managers and employees); (vii) the participation in Tax, accounting and other administrative matters as a member of any consolidated or similar group including Holdings, including compliance with applicable Laws and legal, Tax and accounting matters related thereto and activities relating to its officers, directors, managers and employees; (viii) the holding of any cash and Cash Equivalents (but not operating any property); (ix) the entry into and performance of its obligations with respect to contracts and other arrangements, including the providing of indemnification to officers, managers, directors and employees; (x) establishing and maintaining bank accounts (and granting security, charges and other liens thereon to secure the Obligations and other Indebtedness or obligation permitted to be secured thereby); (xi) engaging in any activities incidental to compliance with the provisions of the Securities Act and the Exchange Act and similar laws and regulations of other jurisdictions and the rules of securities exchanges, in each case, as applicable to companies with listed equity or debt securities, as well as activities incidental to investor relations, shareholder meetings and reports to shareholders or debt holders; and (xii) any activities incidental to the foregoing.

(b) The Lux Borrower will only issue Capital Stock to UK Holdco. The Lux Borrower will not undertake any action that will require the Lux Borrower to register as an “investment company” or an entity “controlled by an investment company” as defined in the US Investment Company Act of 1940, as amended and the rules and regulations thereunder.

SECTION 7.
NEGATIVE COVENANTS

Each Borrower hereby jointly and severally agrees that, until the Termination Date, such Borrower will, and will cause the Restricted Subsidiaries to, comply with this Section 7.

7.1 First Lien Net Leverage Ratio. UK Holdco shall not, without the written consent of the Majority Revolving Lenders, permit the First Lien Net Leverage Ratio on a Pro Forma Basis as at the last day of any period of four consecutive fiscal quarters of UK Holdco commencing with the fiscal quarter ending March 31, 2020 (but only if the last day of such fiscal quarter constitutes a Financial Compliance Date) to exceed 7.25 to 1.00.

7.2 Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock.
(a) (i) UK Holdco will not, and will not permit any of the Restricted Subsidiaries to, directly or indirectly, Incur any Indebtedness (including Acquired Indebtedness) or issue any shares of Disqualified Stock; and (ii) UK Holdco will not permit any of the Restricted Subsidiaries to issue any shares of Preferred Stock; provided, however, that UK Holdco and any of the Restricted Subsidiaries may Incur Indebtedness (including Acquired Indebtedness) or issue shares of Disqualified Stock and any of the Restricted Subsidiaries may issue shares of Preferred Stock, in each case, if either (A) the Interest Coverage Ratio for the most recently ended Reference Period is at least 2.00 to 1.00 or (B) the Total Net Leverage Ratio for the most recently ended Reference Period does not exceed 6.50 to 1.00 (any such debt incurred pursuant to this proviso, “Ratio Debt”), in each case determined on a Pro Forma Basis; provided, further, however, that the aggregate principal amount of Indebtedness (excluding Acquired Indebtedness not Incurred in connection with or in contemplation of the applicable merger, acquisition or other similar transaction) that may be Incurred and Disqualified Stock or Preferred Stock that may be issued pursuant to this clause (a) by Restricted Subsidiaries that are not Borrowers or Guarantors, taken together with the principal amount of all such Indebtedness Incurred and Disqualified Stock or Preferred Stock issued by Restricted Subsidiaries that are not Borrowers or Guarantors outstanding pursuant to paragraph (1) of the final proviso to clause (b)(vi) and the final proviso to clause (b)(xxii)(a) of this Section 7.2, shall not exceed the greater of $125,000,000 and 39% of Consolidated EBITDA as of the most recently ended Reference Period at any one time outstanding.

(b) The limitations set forth in Section 7.2(a) shall not apply to (collectively, “Permitted Debt”):

(i) Indebtedness Incurred pursuant to this Agreement, any other Loan Document or any Loan Note Instrument (including any Indebtedness incurred pursuant to Section 2.25, 2.26 or 2.28);

(ii) the Incurrence by the Borrowers and the Guarantors of Indebtedness represented by the Senior Secured Notes issued on the Closing Date (not including any additional notes) and the guarantees, as applicable;

(iii) Indebtedness existing on the Closing Date (other than Indebtedness described in Section 7.2(b)(i) and (ii)) (in the case of any individual item of Indebtedness in a principal amount in excess of $5,000,000, to be set forth on Schedule 7.2);

(iv) Permitted First Priority Refinancing Debt and Permitted Second Priority Refinancing Debt;

(v) Permitted Unsecured Refinancing Debt;
Indebtedness, Disqualified Stock or Preferred Stock ("Incremental Equivalent Debt") not to exceed an amount equal to the sum of (x) an unlimited amount at any time so long as (A) in the case of Indebtedness that is secured by a Lien on the Collateral on a pari passu basis with the Obligations, the First Lien Net Leverage Ratio for the most recently ended Reference Period does not exceed 5.00 to 1.00, (B) in the case of Indebtedness that is secured by a Lien on the Collateral other than on a pari passu basis with the Obligations, the Secured Net Leverage Ratio for the most recently ended Reference Period does not exceed 6.50 to 1.00 or (C) in the case of Indebtedness that is unsecured or is secured by a Lien on assets that do not constitute Collateral, and in the case of Disqualified Stock or Preferred Stock, either (1) the Total Net Leverage Ratio for the most recently ended Reference Period does not exceed 6.50 to 1.00 or (2) the Interest Coverage Ratio for the most recently ended Reference Period is at least 2.00 to 1.00, in each case on a Pro Forma Basis (but without giving effect to the cash proceeds of any such Indebtedness remaining on the balance sheet and calculated assuming that any such Indebtedness is fully drawn throughout such period), plus (y) the amount of all prior voluntary prepayments, loan buybacks (with credit given to the principal amount thereof) and commitment reductions of Term Loans, Revolving Loans, Incremental Loans, Indebtedness incurred pursuant to this Section 7.2(b)(vi) that is secured by a Lien on the Collateral on a pari passu basis with the Obligations and Permitted Credit Agreement Refinancing Debt and Refinancing Indebtedness previously applied to the permanent repayment of any of the foregoing and the amount of any prepayments made to any Lender pursuant to Section 2.23, with any replacement of a Lender pursuant thereto being deemed, solely for this purpose, to constitute a prepayment (in each case, to the extent not funded with the proceeds of long-term Indebtedness (except Indebtedness under one or more revolving credit or similar facilities) or the proceeds of Permitted Cure Securities applied pursuant to Section 9.4 and, with respect to any prepayment or commitment reduction of or in respect of revolving loans, to the extent accompanied by a permanent reduction in such revolving commitments) (minus the aggregate principal amount of Indebtedness Incurred under Section 2.25(a)(i)(y)), plus (z) an amount equal to the greater of $325,000,000 and 100% of Consolidated EBITDA on a Pro Forma Basis as of the most recently ended Reference Period (and after giving effect to any acquisition or other transaction consummated concurrently therewith) (minus the aggregate outstanding principal amount of Indebtedness Incurred under Section 2.25(a)(i)(z)) (provided that, for the avoidance of doubt, the amount available to the Borrowers pursuant to clauses (y) and (z) above shall be available at all times and shall not be subject to any ratio test described in foregoing clause (x) above), which amount may be secured on a pari passu or junior basis; provided, that:
(1) the principal amount of such Indebtedness (excluding Acquired Indebtedness not Incurred in connection with or in contemplation of the applicable merger, acquisition or other similar transaction) that may be Incurred and Disqualified Stock or Preferred Stock that may be issued pursuant to this clause (vi) by Restricted Subsidiaries that are not Borrowers or Guarantors, shall not exceed the greater of $125,000,000 and 39% of Consolidated EBITDA as of the most recently ended Reference Period at any one time outstanding (minus the outstanding principal amount of such Indebtedness Incurred by Restricted Subsidiaries that are not Borrowers or Guarantors pursuant to the second proviso to clause (a) and the final proviso to clause (b)(xxii) (x) of this Section 7.2);

(2) the Applicable Requirements shall have been satisfied;

(3) no Indebtedness under this clause (vi) may be Incurred at any time that an Event of Default has occurred and is continuing (unless such Indebtedness is used to finance, in whole or in part, a Limited Condition Transaction, in which case the absence of an Event of Default shall be tested on the date specified in Section 1.4);

(4) any such Indebtedness in the form of Dollar denominated broadly syndicated term “B” loans Incurred under this clause (vi) that is secured by a Lien on the Collateral on a pari passu basis with the Obligations shall be subject to the MFN Provision set forth in Section 2.25(a)(vii) (giving effect to all exceptions thereto, mutatis mutandis for Incremental Equivalent Debt);

(5) [reserved]; and

(6) (A) for the avoidance of doubt, if the applicable Borrower incurs Indebtedness under clause (x) above on the same date that it incurs Indebtedness under clauses (y) or (z) above, then the applicable incurrence ratio will be calculated with respect to such incurrence under clause (x) without regard to any incurrence of Indebtedness under clauses (y) or (z) and (B) unless the applicable Borrower elects otherwise, any Indebtedness incurred pursuant to this clause (vi) shall be deemed incurred first under clause (x) above, with the balance incurred under clauses (y) and (z) above.
(vii) Indebtedness (including, without limitation, Capitalized Lease Obligations, mortgage financings or purchase money obligations) Incurred by UK Holdco or any of the Restricted Subsidiaries, Disqualified Stock issued by UK Holdco or any of the Restricted Subsidiaries and Preferred Stock issued by any Restricted Subsidiary or any part of the acquisition, purchase, lease, construction, design, installation, repair, replacement or improvement of property (real or personal), plant or equipment or other fixed or capital assets used or useful in the business of UK Holdco or the Restricted Subsidiaries or in a Similar Business (whether through the direct purchase of assets or the Capital Stock of any Person owning such assets) in an aggregate principal amount, including all Indebtedness Incurred to renew, refund, Refinance, replace, discharge any Indebtedness Incurred pursuant to this clause (vii), not to exceed the greater of $150,000,000 and 47% of Consolidated EBITDA as of the most recently ended Reference Period at any one time outstanding (minus amounts incurred and outstanding under clause (xvi) in respect of Indebtedness originally incurred under this clause (vii)); provided, that Capitalized Lease Obligations incurred by UK Holdco or any Restricted Subsidiary pursuant to this clause (vii) in connection with a Sale Leaseback Transaction shall not be subject to the foregoing limitation so long as the proceeds of such Sale Leaseback Transaction are used by UK Holdco or such Restricted Subsidiary to permanently repay outstanding loans under any credit agreement, debt facility or other Indebtedness secured by a Lien on the assets subject to such Sale Leaseback Transaction;

(viii) Indebtedness (x) in respect of any bankers’ acceptance, bank guarantees, discounted bill of exchange or the discounting or factoring of receivables, warehouse receipt or similar facilities, and reinvestment obligations related thereto, entered into in the ordinary course of business and (y) constituting reimbursement obligations with respect to letters of credit issued in the ordinary course of business, including letters of credit in respect of workers’ compensation claims, or other Indebtedness with respect to reimbursement type obligations regarding workers’ compensation claims; provided, however, that upon the drawing of such letters of credit or the Incurrence of such Indebtedness, such obligations are reimbursed within 45 days following such drawing;

(ix) Indebtedness arising from agreements of UK Holdco or a Restricted Subsidiary providing for indemnification, adjustment of purchase price, earnout or similar obligations, in each case, Incurred in connection with the acquisition or disposition of any business, assets or a Subsidiary of UK Holdco in accordance with the terms of this Agreement, other than guarantees of Indebtedness Incurred by any Person acquiring all or any portion of such business, assets or Subsidiary for the purpose of financing such acquisition;
(x) shares of Preferred Stock of a Restricted Subsidiary issued to UK Holdco or another Restricted Subsidiary; provided that any subsequent issuance or transfer of any Capital Stock or any other event that results in any Restricted Subsidiary that holds such shares of Preferred Stock of another Restricted Subsidiary ceasing to be a Restricted Subsidiary or any other subsequent transfer of any such shares of Preferred Stock (except to UK Holdco or another Restricted Subsidiary) shall be deemed, in each case, to be an issuance of shares of Preferred Stock;

(xi) Indebtedness or Disqualified Stock of (a) a Restricted Subsidiary to UK Holdco or (b) UK Holdco or any Restricted Subsidiary to any Restricted Subsidiary; provided that if UK Holdco or a Guarantor Incurs such Indebtedness to a Restricted Subsidiary that is not a Borrower or a Guarantor, such Indebtedness is, on and from the date that is 120 days following the Closing Date (or such later date as the Administrative Agent may agree in its reasonable discretion), subordinated in right of payment to the Loans or the Guarantee of such Guarantor, as the case may be; provided, further, that any subsequent issuance or transfer of any Capital Stock or any other event that results in any Restricted Subsidiary lending such Indebtedness or Disqualified Stock, as applicable, ceasing to be a Restricted Subsidiary or any other subsequent transfer of any such Indebtedness or Disqualified Stock, as applicable (except to UK Holdco or another Restricted Subsidiary) shall be deemed, in each case, to be an Incurrence of such Indebtedness or Disqualified Stock, as applicable;

(xii) Hedging Obligations that are Incurred in the ordinary course of business (and not for speculative purposes) or in connection with the Transactions: (1) for the purpose of fixing or hedging interest rate risk with respect to any Indebtedness that is permitted by the terms of this Agreement to be outstanding; (2) for the purpose of fixing or hedging currency exchange rate risk; or (3) for the purpose of fixing or hedging commodity price risk with respect to any commodity purchases;

(xiii) obligations (including reimbursement obligations with respect to letters of credit and bank guarantees) in respect of performance, bid, appeal and surety bonds and completion guarantees provided by UK Holdco or any Restricted Subsidiaries;

(xiv) Indebtedness, Disqualified Stock or Preferred Stock in an aggregate principal amount or liquidation preference that, when aggregated with the principal amount or liquidation preference of all other Indebtedness, Disqualified Stock and Preferred Stock then outstanding and Incurred pursuant to this clause (xiv), does not exceed the greater of $250,000,000 and 77% of Consolidated EBITDA as of the most recently ended Reference Period at any one time outstanding (minus amounts incurred and outstanding under clause (xvi) in respect of Indebtedness originally incurred under this clause (xiv));
(xv) any guarantee by UK Holdco or any of the Restricted Subsidiaries of Indebtedness or other obligations of UK Holdco or any of the Restricted Subsidiaries so long as the Incurrence of such Indebtedness or other obligations by UK Holdco or such Restricted Subsidiary is permitted under the terms of this Agreement; provided that if such Indebtedness is by its express terms subordinated in right of payment to the Loans or the Guarantee of any Guarantor, any such guarantee of such Guarantor with respect to such Indebtedness shall be subordinated in right of payment to the Loans and the Guarantees, substantially to the same extent as such Indebtedness is subordinated to the Loans or any relevant Guarantees, as applicable;

(xvi) the Incurrence by UK Holdco or any of the Restricted Subsidiaries of Indebtedness or Disqualified Stock or Preferred Stock of a Restricted Subsidiary that serves to refund, Refinance, replace or defease any Indebtedness, Disqualified Stock or Preferred Stock Incurred as permitted under clause (a) of this Section 7.2 and clauses (b)(i), (b)(ii), (b)(iii), (b)(vii), (b)(xiv), (b)(xvi), (b)(xix), (b)(xxi), (b)(xxvii) and (b)(xxx) of this Section 7.2 or any Indebtedness, Disqualified Stock or Preferred Stock Incurred to so refund or Refinance such Indebtedness, Disqualified Stock or Preferred Stock, including any additional Indebtedness, Disqualified Stock or Preferred Stock Incurred to pay accrued and unpaid interest, fees and expenses, including any premium and defeasance costs in connection therewith (subject to the following proviso, “Refinancing Indebtedness”) prior to its respective maturity; provided, however, that such Refinancing Indebtedness:

(1) other than with respect to Indebtedness incurred pursuant to Section 7.2(a), revolving Indebtedness and Customary Bridge Financings and other than with respect to Indebtedness incurred pursuant to the Inside Maturity Basket, has a Weighted Average Life to Maturity at the time such Refinancing Indebtedness is Incurred which is not less than the shorter of (x) the remaining Weighted Average Life to Maturity of the Indebtedness being refunded or Refinanced and (y) the remaining Weighted Average Life to Maturity of the Senior Secured Notes;
other than with respect to Indebtedness incurred pursuant to Section 7.2(a), Customary Bridge Financings and other than with respect to Indebtedness incurred pursuant to the Inside Maturity Basket, has a Stated Maturity which is no earlier than the earlier of (x) the Stated Maturity of the Indebtedness being refunded or Refinanced and (y) the Stated Maturity of the Senior Secured Notes;

(3) to the extent such Refinancing Indebtedness Refinances (x) Subordinated Indebtedness, such Refinancing Indebtedness is Subordinated Indebtedness, or (y) Disqualified Stock or Preferred Stock, such Refinancing Indebtedness is Disqualified Stock or Preferred Stock;

(4) is Incurred in an aggregate principal amount (or if issued with original issue discount an aggregate issue price) that is equal to or less than the sum of (x) the aggregate principal amount (or if issued with original issue discount, the aggregate accreted value) then outstanding of the Indebtedness being Refinanced plus (y) the amount necessary to pay accrued and unpaid interest, fees, underwriting discounts and expenses, including any premium and defeasance costs Incurred in connection with such Refinancing plus (z) an amount not exceeding the amount otherwise able to be Incurred pursuant to this Section 7.2 (it being understood that such amount shall constitute utilization of the applicable basket or exception to this Section 7.2); and

(5) shall not include (x) Indebtedness, Disqualified Stock or Preferred Stock of a Subsidiary that is not a Guarantor that Refinances Indebtedness, Disqualified Stock or Preferred Stock of UK Holdco; (y) Indebtedness, Disqualified Stock or Preferred Stock of a Subsidiary that is not a Guarantor that Refinances Indebtedness, Disqualified Stock or Preferred Stock of a Guarantor; or (z) Indebtedness, Disqualified Stock or Preferred Stock of UK Holdco or a Restricted Subsidiary that Refinances Indebtedness, Disqualified Stock or Preferred Stock of an Unrestricted Subsidiary;

(xvii) Indebtedness arising from (x) Cash Management Services and (y) the honoring by a bank or other financial institution of a check, draft or similar instrument drawn against insufficient funds in the ordinary course of business, provided that, in the case of this (y), such Indebtedness is extinguished within ten Business Days of its Incurrence;
(xviii) Indebtedness of UK Holdco or any Restricted Subsidiary supported by a letter of credit or bank guarantee issued pursuant to this Agreement, in a principal amount not in excess of the stated amount of such letter of credit or bank guarantee;

(xix) Contribution Indebtedness;

(xx) Indebtedness of UK Holdco or any Restricted Subsidiary consisting of (x) the financing of insurance premiums or (y) take-or-pay obligations contained in supply arrangements;

(xx) Indebtedness Incurred by a Receivables Subsidiary in a Qualified Receivables Financing that is not recourse to UK Holdco or any Restricted Subsidiary other than a Receivables Subsidiary (except for Standard Securitization Undertakings);

(xxii) (x) Indebtedness, Disqualified Stock or Preferred Stock of UK Holdco or any of the Restricted Subsidiaries Incurred to finance an acquisition or other Investment or (y) Acquired Indebtedness of UK Holdco or any of the Restricted Subsidiaries not Incurred in connection with or in contemplation of the applicable merger, acquisition or other similar transaction; provided that, in the case of clause (x), after giving effect to the transactions that result in the Incurrence or issuance thereof, on a Pro Forma Basis, either (A) UK Holdco would be permitted to Incur at least $1.00 of additional Indebtedness as Ratio Debt or (B) (1) in the case of Indebtedness that is secured by a Lien on the Collateral on a pari passu basis with the Obligations, the First Lien Net Leverage Ratio on a Pro Forma Basis does not exceed the First Lien Net Leverage Ratio as of the most recently ended Reference Period, (2) in the case of Indebtedness that is secured by a Lien on the Collateral other than on a pari passu basis with the Obligations, the Secured Net Leverage Ratio on a Pro Forma Basis does not exceed the Secured Net Leverage Ratio as of the most recently ended Reference Period or (3) in the case of Indebtedness that is unsecured or is secured by a Lien on assets that do not constitute Collateral, and in the case of Disqualified Stock or Preferred Stock, either (x) the Total Net Leverage Ratio on a Pro Forma Basis does not exceed the Total Net Leverage Ratio as of the most recently ended Reference Period or (y) the Interest Coverage Ratio on a Pro Forma Basis is no less than the Interest Coverage Ratio as of the most recently ended Reference Period; provided, that the aggregate principal amount of Indebtedness Incurred by Restricted Subsidiaries which are not Borrowers or Guarantors under the preceding clause (xxii)(x) shall not exceed the greater of $125,000,000 and 39% of Consolidated EBITDA as of the most recently ended Reference Period at any one time outstanding (minus the amount of such Indebtedness Incurred by Restricted Subsidiaries that are not Borrowers or Guarantors outstanding pursuant to the second proviso of clause (a) and paragraph (1) of the final proviso to clause (b)(vi) of this Section 7.2);
(xxiii) Indebtedness Incurred by UK Holdco or any Restricted Subsidiary to the extent that the net proceeds thereof are promptly deposited to defease or to satisfy and discharge the Senior Secured Notes;

(xxiv) Guarantees (A) Incurred in the ordinary course of business in respect of obligations of (or to) suppliers, customers, franchisees, lessors and licensees that, in each case, are non-Affiliates or (B) otherwise constituting Investments permitted under this Agreement;

(xxv) Indebtedness issued by UK Holdco or any of the Restricted Subsidiaries to current or former employees, directors, managers and consultants thereof, their respective estates, spouses or former spouses, in each case to finance the purchase or redemption of Equity Interests of UK Holdco or any direct or indirect parent company of UK Holdco to the extent permitted by Section 7.3(b)(iv);

(xxvi) Indebtedness owed on a short-term basis of no longer than 30 days to banks and other financial institutions Incurred in the ordinary course of business of UK Holdco and the Restricted Subsidiaries with such banks or financial institutions that arises in connection with ordinary banking arrangements to manage cash balances of UK Holdco and the Restricted Subsidiaries;

(xxvii) Indebtedness Incurred by joint ventures of UK Holdco or any of the Restricted Subsidiaries (or by UK Holdco or any of the Restricted Subsidiaries on behalf of any such joint venture) or guarantees of the foregoing, and Indebtedness of Restricted Subsidiaries that are Non-Guarantor Subsidiaries, in an aggregate principal amount that does not exceed the greater of $175,000,000 and 54% of Consolidated EBITDA as of the most recently ended Reference Period at any one time outstanding (minus amounts incurred and outstanding under clause (xvi) in respect of Indebtedness originally incurred under this clause (xxvii));
customer deposits and advance payments received in the ordinary course of business from customers for goods purchased in the ordinary course of business;

Indebtedness Incurred pursuant to Sale Leaseback Transactions; and

Indebtedness, Disqualified Stock or Preferred Stock of UK Holdco or a Restricted Subsidiary Incurred to finance or assumed in connection with an acquisition of any assets (including Capital Stock), business or Person in an aggregate principal amount or liquidation preference that does not exceed the greater of $30,000,000 and 10% of Consolidated EBITDA as of the most recently ended Reference Period, at any one time outstanding (minus amounts Incurred and outstanding under (clause (xvi) in respect of Indebtedness originally Incurred under this clause (xxx)).

(c) For purposes of determining compliance with this Section 7.2, with respect to Indebtedness Incurred, re-borrowings of amounts previously repaid pursuant to “cash sweep” provisions or any similar provisions that provide that Indebtedness is deemed to be repaid daily (or otherwise periodically) shall only be deemed for purposes of this Section 7.2 to have been Incurred on the date such Indebtedness was first Incurred and not on the date of any subsequent re-borrowing thereof. Accrual of interest, the accretion of accreted value, the amortization of original issue discount, the payment of interest in the form of additional Indebtedness with the same terms, the payment of dividends on Disqualified Stock or Preferred Stock in the form of additional shares of Disqualified Stock or Preferred Stock of the same class, the accretion of liquidation preference and increases in the amount of Indebtedness outstanding solely as a result of fluctuations in the exchange rate of currencies will not be deemed to be an Incurrence of Indebtedness, Disqualified Stock or Preferred Stock for purposes of this Section 7.2. For the avoidance of doubt, the outstanding principal amount of any particular Indebtedness shall be counted only once. Guarantees of, or obligations in respect of letters of credit relating to, Indebtedness that is otherwise included in the determination of a particular amount of Indebtedness shall not be included in the determination of such amount of Indebtedness, provided that the Incurrence of the Indebtedness represented by such guarantee or letter of credit, as the case may be, was in compliance with this Section 7.2.

(d) For purposes of determining compliance with any Dollar-denominated restriction on the Incurrence of Indebtedness, the Dollar-equivalent principal amount of Indebtedness denominated in a foreign currency shall be calculated based on the relevant currency exchange rate in effect on the date such Indebtedness was Incurred, in the case of term debt, or first committed or first Incurred (whichever yields the lower Dollar-equivalent amount), in the case of revolving credit debt; provided that if such Indebtedness is Incurred to Refinance other Indebtedness denominated in a foreign currency, and such refinancing would cause the applicable Dollar-denominated restriction to be exceeded if calculated at the relevant currency exchange rate in effect on the date of such refinancing, such Dollar-denominated restriction shall be deemed not to have been exceeded so long as the principal amount of such refinancing Indebtedness does not exceed the principal amount of such Indebtedness being Refinanced (plus an amount not exceeding the amount otherwise able to be Incurred pursuant to this Section 7.2, it being understood that such amount shall constitute utilization of the applicable basket or exception to this Section 7.2).
7.3 Limitation on Restricted Payments.

(a) UK Holdco will not, and will not permit any of the Restricted Subsidiaries to, directly or indirectly:

(i) declare or pay any dividend or make any distribution on account of UK Holdco’s or any of its Restricted Subsidiaries’ Equity Interests, including any payment made in connection with any merger or consolidation involving UK Holdco (other than dividends, payments or distributions (A) payable solely in Equity Interests (other than Disqualified Stock) of UK Holdco or to UK Holdco and the Restricted Subsidiaries; or (B) by a Restricted Subsidiary so long as, in the case of any dividend or distribution payable on or in respect of any class or series of securities issued by a Restricted Subsidiary other than a Wholly Owned Restricted Subsidiary, UK Holdco or a Restricted Subsidiary receives at least its pro rata share of such dividend or distribution in accordance with its Equity Interests in such class or series of securities);

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

(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 Junior Indebtedness (other than the payment, redemption, repurchase, defeasance, acquisition or retirement of (A) Junior Indebtedness in anticipation of satisfying a sinking fund obligation, principal installment or final maturity, in each case due within one year of the date of such payment, redemption, repurchase, defeasance, acquisition or retirement and (B) Indebtedness permitted under Section 7.2(b)(xi)) (any such payments, redemptions, repurchases, defeasances, acquisitions or retirements for value, “Restricted Debt Payments”); or

(iv) make any Restricted Investment;

(all such payments and other actions set forth in clauses (i) through (iv) above, other than any of the exceptions set forth therein, being collectively referred to as “Restricted Payments”), unless at the applicable time of determination:
(1) solely in the case of a Restricted Payment (other than a Restricted Investment or a Restricted Debt Payment) that is made in reliance on clause (3)(A) below, no Event of Default shall have occurred and be continuing or would occur as a consequence thereof and (y) solely in the case of a Restricted Debt Payment that is made in reliance on clause (3)(A) below, no Specified Event of Default shall have occurred and be continuing or would occur as a consequence thereof;

(2) [reserved]; and

(3) such Restricted Payment, together with the aggregate amount of all other Restricted Payments made by UK Holdco and the Restricted Subsidiaries after the Closing Date (including Restricted Payments permitted by clause (b)(i), but excluding all other Restricted Payments permitted by clause (b) of this Section 7.3), is less than the sum of, without duplication,

(A) 50% of the Consolidated Net Income of UK Holdco for the period (taken as one accounting period) from the first day of the fiscal quarter in which the Closing Date occurs to the end of UK Holdco’s most recently ended Reference Period at the applicable time of determination; provided that this clause (A) shall in no event be less than zero, plus

(B) 100% of the aggregate net proceeds, including cash and the Fair Market Value of assets other than cash, received by UK Holdco after the Closing Date from the issue or sale of Equity Interests of UK Holdco or any direct or indirect parent of UK Holdco (excluding (without duplication) any Cure Amount, Refunding Capital Stock, Designated Preferred Stock, Cash Contribution Amount, Excluded Contributions and Disqualified Stock), including Equity Interests issued upon conversion of Indebtedness or upon exercise of warrants or options (other than an issuance or sale to a Restricted Subsidiary or an employee stock ownership plan or trust established by UK Holdco or any of its Subsidiaries), plus

(C) 100% of the aggregate amount of contributions to the capital of UK Holdco received in cash and the Fair Market Value of property other than cash after the Closing Date (other than Excluded Contributions, Refunding Capital Stock, Designated Preferred Stock, Disqualified Stock and the Cash Contribution Amount), plus

182
(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 UK Holdco or any Restricted Subsidiary thereof issued after the Closing Date (other than any Indebtedness or Disqualified Stock issued to UK Holdco or any Restricted Subsidiary) that has been converted into or exchanged for Equity Interests in UK Holdco (other than Disqualified Stock) or any direct or indirect parent of UK Holdco, plus

(E) 100% of the aggregate amount received by UK Holdco or any Restricted Subsidiary in cash and the Fair Market Value of property other than cash received by UK Holdco or any Restricted Subsidiary from:

(I) the sale or other disposition (other than to UK Holdco or a Restricted Subsidiary) of Restricted Investments made by UK Holdco and the Restricted Subsidiaries and from repurchases and redemptions of such Restricted Investments from UK Holdco and the Restricted Subsidiaries by any Person (other than UK Holdco or any of its Restricted Subsidiaries) and from repayments of loans or advances which constituted Restricted Investments (other than in each case to the extent that the Restricted Investment was made pursuant to clause (b)(vii) of this Section 7.3),

(II) the sale (other than to UK Holdco or a Restricted Subsidiary) of the Capital Stock of an Unrestricted Subsidiary of Holdings, or

(III) any distribution or dividend from any Unrestricted Subsidiary of Holdings (to the extent such distribution or dividend is not already included in the calculation of Consolidated Net Income); plus

(F) in the event any Unrestricted Subsidiary of UK Holdco has been redesignated as a Restricted Subsidiary or has been merged or consolidated with or into, or transfers or conveys its assets to, or is liquidated into, UK Holdco or a Restricted Subsidiary, in each case after the Closing Date, the Fair Market Value of the Investment of UK Holdco or its applicable Restricted Subsidiary in such Unrestricted Subsidiary at the time of such redesignation, combination or transfer (or of the assets transferred or conveyed, as applicable), after deducting any Indebtedness associated with such 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 (b)(vii) of this Section 7.3 or constituted a Permitted Investment); plus
(b)  The provisions of Section 7.3(a) will not prohibit:

(i)  the payment of any dividend or distribution or consummation of any redemption within 60 days after the date of declaration thereof or the giving of a redemption notice related thereto, if at the date of declaration or notice such payment would have complied with the provisions of this Agreement;

(ii)  (A) the redemption, repurchase, defeasance, exchange, retirement or other acquisition of any Equity Interests (“Retired Capital Stock”) of UK Holdco or any direct or indirect parent of UK Holdco or any Restricted Subsidiary or Junior Indebtedness of UK Holdco or any Restricted Subsidiary, in exchange for, or out of the proceeds of a sale (other than to UK Holdco or a Restricted Subsidiary) of, Equity Interests of UK Holdco or any direct or indirect parent of UK Holdco to the extent contributed to UK Holdco or any Restricted Subsidiary or contributed to the equity capital of UK Holdco or any Restricted Subsidiary (other than any Disqualified Stock or any Equity Interests sold to UK Holdco or any Restricted Subsidiary of UK Holdco or to an employee stock ownership plan or any trust established by UK Holdco or any of its Restricted Subsidiaries) (collectively, including any such contributions, “Refunding Capital Stock”); (B) if immediately prior to the retirement of Retired Capital Stock, the declaration and payment of dividends thereon was permitted under clause (vi) of this Section 7.3(b), the declaration and payment of dividends on the Refunding Capital Stock (other than Refunding Capital Stock the proceeds of which were used to redeem, repurchase, defease, retire or otherwise acquire any Equity Interests of any direct or indirect parent company of UK Holdco) in an aggregate amount per year no greater than the aggregate amount of dividends per annum that were declarable and payable on such Retired Capital Stock immediately prior to such retirement; and (C) the declaration and payment of accrued dividends on the Retired Capital Stock out of the proceeds of the sale (other than to UK Holdco or a Restricted Subsidiary) (made within 90 days of such redemption, repurchase, defeasance, exchange, retirement, or other acquisition) (other than to a Restricted Subsidiary of UK Holdco or to an employee stock ownership plan or any trust established by UK Holdco or any of its Restricted Subsidiaries) of Refunding Capital Stock;

(G)  the aggregate amount of Retained Declined Proceeds; plus

(H)  the greater of $100,000,000 and 31% of Consolidated EBITDA as of the most recently ended Reference Period.
(iii) the prepayment, redemption, repurchase, defeasance, exchange or other acquisition or retirement of Junior Indebtedness of UK Holdco or any Restricted Subsidiary (x) constituting Acquired Indebtedness not Incurred in connection with or in contemplation of the applicable merger, acquisition or other similar transaction or (y) made by exchange for, or out of the proceeds of the sale (made within 90 days of such prepayment, redemption, repurchase, defeasance, exchange, or other acquisition) of, new Indebtedness of UK Holdco or a Restricted Subsidiary that is incurred in accordance with Section 7.2 so long as, in the case of this clause (y):

(1) the principal amount (or accreted value, if applicable) of such new Indebtedness does not exceed the principal amount (or accreted value, if applicable) of the Junior Indebtedness being so prepaid, redeemed, repurchased, defeased, exchanged, acquired or retired for value (plus accrued and unpaid interest, fees, underwriting discounts and expenses, including any premium and defeasance costs, required to be paid under the terms of the instrument governing the Junior Indebtedness being so prepaid, redeemed, repurchased, defeased, exchanged, acquired or retired plus any fees and expenses Incurred in connection therewith, including reasonable tender premiums);

(2) if such Junior Indebtedness was subordinated to the Facilities or the related Guarantee, as the case may be, such new Indebtedness must be subordinated to the Facilities or the related Guarantee at least to the same extent as such Junior Indebtedness so prepaid, purchased, exchanged, redeemed, repurchased, defeased, exchanged, acquired or retired;
other than with respect to Indebtedness incurred pursuant to the Inside Maturity Basket, such Indebtedness has a final scheduled maturity date no earlier than the earlier of (x) the final scheduled maturity date of the Junior Indebtedness being so prepaid, redeemed, repurchased, defeased, exchanged, acquired or retired or (y) the Latest Maturity Date; and

other than in respect of revolving Indebtedness and Indebtedness incurred pursuant to the Inside Maturity Basket, such Indebtedness has a Weighted Average Life to Maturity that is not less than the lesser of (x) the remaining Weighted Average Life to Maturity of the Junior Indebtedness being so prepaid, redeemed, repurchased, defeased, acquired or retired at the time of incurrence or (y) the remaining Weighted Average Life to Maturity of the latest maturing Term Loans;

(iv) the purchase, retirement, redemption or other acquisition (or dividends to UK Holdco or any other direct or indirect parent of UK Holdco) for value of Equity Interests of UK Holdco or any direct or indirect parent of UK Holdco held by any future, present or former employee, director or consultant of UK Holdco or any direct or indirect parent of UK Holdco or any Subsidiary of UK Holdco or their estates or the beneficiaries of such estates pursuant to any management equity plan or stock option plan or any other management or employee benefit plan or other similar agreement or arrangement; provided, however, that the aggregate amounts paid under this clause (iv) do not exceed the greater of $30,000,000 and 10% of Consolidated EBITDA as of the most recently ended Reference Period in any calendar year (with unused amounts in any calendar year being carried over to succeeding calendar years); provided, further, however, that such amount in any calendar year may be increased by an amount not to exceed:

(1) the cash proceeds received after the Closing Date by UK Holdco, any direct or indirect parent of UK Holdco and the Restricted Subsidiaries from the sale of Equity Interests (other than Disqualified Stock) of UK Holdco or any direct or indirect parent of UK Holdco (to the extent contributed to UK Holdco or any Restricted Subsidiary) to members of management, directors or consultants of UK Holdco and the Restricted Subsidiaries (provided that the amount of such cash proceeds utilized for any such repurchase, retirement, other acquisition or dividend will not increase the amount available for Restricted Payments under clause (a)(3) of this Section 7.3); plus
(2) the cash proceeds of key man life insurance policies received after the Closing Date by UK Holdco, any direct or indirect parent of UK Holdco (to the extent contributed to UK Holdco or any Restricted Subsidiary) and the Restricted Subsidiaries;

(provided that the Borrower Representative may elect to apply all or any portion of the aggregate increase contemplated by clauses (1) and (2) above in any calendar year); in addition, cancellation of Indebtedness owing to UK Holdco or any of its Restricted Subsidiaries from any current, former or future officer, director or employee (or any permitted transferees thereof) of UK Holdco or any of the Restricted Subsidiaries (or any direct or indirect parent company thereof), in connection with a repurchase of Equity Interests of UK Holdco (or any direct or indirect parent company thereof) from such Persons will be deemed not to constitute a Restricted Payment for purposes of this Section 7.3 or any other provisions of this Agreement;

(v) the declaration and payment of dividends or distributions to holders of any class or series of Disqualified Stock of UK Holdco or any of the Restricted Subsidiaries and any Preferred Stock of any Restricted Subsidiaries issued or Incurred in accordance with Section 7.2;

(vi) (A) the declaration and payment of dividends or distributions to holders of any class or series of Designated Preferred Stock (other than Disqualified Stock) issued after the Closing Date, (B) the declaration and payment of dividends to any direct or indirect parent of UK Holdco, the proceeds of which will be used to fund the payment of dividends to holders of any class or series of Designated Preferred Stock (other than Disqualified Stock) of any direct or indirect parent of UK Holdco issued after the Closing Date; and (C) the declaration and payment of dividends on Refunding Capital Stock that is Preferred Stock in excess of the dividends declarable and payable thereon pursuant to clause (b)(ii) of this Section 7.3; provided, however, that (x) for the most recently ended Reference Period preceding the date of issuance of such Designated Preferred Stock or the declaration of such dividends on Refunding Capital Stock that is Preferred Stock, after giving effect to such issuance (and the payment of dividends or distributions) on a Pro Forma Basis, UK Holdco would be permitted to Incur at least $1.00 of additional Ratio Debt pursuant to Section 7.2(a) and (y) the aggregate amount of dividends declared and paid pursuant to this clause (vi) does not exceed the net cash proceeds actually received by UK Holdco from any such sale of Designated Preferred Stock (other than Disqualified Stock issued after the Closing Date and securities issued in connection with the Cure Right);
(vii) Investments in Unrestricted Subsidiaries having an aggregate Fair Market Value, taken together with all other Investments made pursuant to this clause (vii) that are at that time outstanding, not to exceed the greater of $100,000,000 and 31% of Consolidated EBITDA as of the most recently ended Reference Period, at any one time outstanding;

(viii) the payment of dividends on UK Holdco’s common stock (or the payment of dividends to any direct or indirect parent of UK Holdco to fund the payment by UK Holdco of dividends on such entity’s common stock) of up to the sum of (A) 6.00% per annum of the net proceeds received by or contributed to UK Holdco or its applicable direct or indirect parent as a result of the initial public offering of UK Holdco’s publicly listed parent or any future public offering of UK Holdco’s publicly listed parent’s common stock and (B) 2.00% per annum of the Market Capitalization of Holdings or its applicable direct or indirect parent;

(ix) Restricted Payments in an amount equal to the amount of Excluded Contributions made;

(x) other Restricted Payments in an aggregate amount not to exceed the greater of $150,000,000 and 47% of Consolidated EBITDA as of the most recently ended Reference Period;

(xi) the distribution, as a dividend or otherwise, of shares of Capital Stock of, or other securities of, or Indebtedness owed to, UK Holdco or a Restricted Subsidiary by, Unrestricted Subsidiaries;

(xii) any payments pursuant to a tax sharing agreement between UK Holdco and any other Person or a Restricted Subsidiary and any other Person with which UK Holdco or any Restricted Subsidiary files a consolidated tax return or with which UK Holdco or any Restricted Subsidiary is part of a group for tax purposes or any tax advantageous group contribution made pursuant to applicable legislation; provided, however, that any such tax sharing agreement or arrangement and payment does not permit or require payments in excess of the amounts of Tax that would be payable by UK Holdco or the Subsidiaries on a stand-alone basis;

(xiii) the payment of dividends, other distributions or other amounts to, or the making of loans to any direct or indirect parent of UK Holdco, in the amount required for such entity to:
(1) pay amounts equal to the amounts required for any direct or indirect parent of UK Holdco to pay fees and expenses (including franchise, capital stock, minimum and other similar taxes) required to maintain its corporate existence, customary salary, bonus and other benefits payable to, and indemnities provided on behalf of, officers and employees of UK Holdco or any direct or indirect parent of UK Holdco, if applicable, and general corporate operating and overhead expenses (including legal, accounting and other professional fees and expenses) of any direct or indirect parent of UK Holdco, if applicable, in each case to the extent such fees, expenses, salaries, bonuses, benefits and indemnities are attributable to the ownership or operation of UK Holdco, if applicable, and its Subsidiaries;

(2) pay, if applicable, amounts equal to amounts required for any direct or indirect parent of UK Holdco, if applicable, to pay interest and/or principal on Indebtedness the proceeds of which have been contributed to UK Holdco or any Restricted Subsidiary and that has been guaranteed by, or is otherwise considered Indebtedness of, UK Holdco or any of the Restricted Subsidiaries Incurred in accordance with Section 7.2; and

(3) pay fees and expenses Incurred by any direct or indirect parent related to any equity or debt offering of such parent (whether or not successful);

(xiv) (i) repurchases of Equity Interests deemed to occur upon exercise of stock options or warrants if such Equity Interests represent a portion of the exercise price of such options or warrants and (ii) in connection with the withholding of a portion of the Equity Interests granted or awarded to a director or an employee to pay for the taxes payable by such director or employee upon such grant or award;

(xv) purchases of receivables pursuant to a Receivables Repurchase Obligation in connection with a Qualified Receivables Financing and the payment or distribution of Receivables Fees;

(xvi) [reserved];
(xvii) the payment, purchase, redemption, defeasance or other acquisition or retirement for value of Junior Indebtedness, Disqualified Stock or Preferred Stock of UK Holdco and the Restricted Subsidiaries in connection with a “change of control” (as defined in the documentation governing such Junior Indebtedness, Disqualified Stock or Preferred Stock) or an Asset Sale that is permitted under Section 7.5 and the other terms of this Agreement; provided that, prior to such payment, purchase, redemption, defeasance or other acquisition or retirement for value, (x) in the case of a change of control, no Event of Default shall have occurred and be continuing under Section 9.1(l) or the Commitments shall have been terminated and the full amount of all Obligations (other than contingent indemnification and reimbursement obligations for which no claim has been made) shall have been indefeasibly paid in full in cash or (y) in the case of an Asset Sale, UK Holdco (or a third party to the extent permitted by this Agreement) has applied such amounts in accordance with Section 2.11, as the case may be;

(xviii) any joint venture that is not a Restricted Subsidiary may make Restricted Payments required or permitted to be made pursuant to the terms of the joint venture arrangements to holders of its Equity Interests;

(xix) any Restricted Payments made in connection with the consummation of the Transactions including the making of the TRA Payment;

(xx) the payment of cash in lieu of the issuance of fractional shares of Equity Interests upon exercise or conversion of securities exercisable or convertible into Equity Interests of UK Holdco;

(XX) payments or distributions, in the nature of satisfaction of dissenters’ rights, pursuant to or in connection with a consolidation, merger or transfer of assets that complies with the provisions of this Agreement applicable to mergers, consolidations and transfers of all or substantially all the property and assets of UK Holdco and its Subsidiaries;

(xxii) the prepayment, redemption, repurchase, defeasance, exchange, retirement or other acquisition of any Junior Indebtedness of UK Holdco or any Restricted Subsidiary or any direct or indirect parent of UK Holdco (including dividends made to effectuate such prepayment, redemption, repurchase, defeasance, exchange, retirement or other acquisition), in an aggregate amount not to exceed the greater of $50,000,000 and 16% of Consolidated EBITDA as of the most recently ended Reference Period in the aggregate;

(xxiii) unlimited Restricted Payments; provided, that (x) in the case of any Restricted Investment, the Total Net Leverage Ratio, on a Pro Forma Basis as of the most recently ended Reference Period, does not exceed 5.25 to 1.00 or (y) in the case of any other Restricted Payment, the Total Net Leverage Ratio, on a Pro Forma Basis as of the most recently ended Reference Period, does not exceed 4.75 to 1.00;
provided, however, that at the applicable time of determination in respect of any Restricted Payment permitted under clause (b)(x) and (b)(xxiii)(y) of this Section 7.3, no Event of Default shall have occurred and be continuing or would occur as a consequence thereof.

7.4 Dividend and Other Payment Restrictions Affecting Subsidiaries. UK Holdco will not, and will not permit any Restricted Subsidiary that is not a Borrower or a Guarantor to, directly or indirectly create or otherwise cause to become effective any consensual encumbrance or consensual restriction on the ability of any Restricted Subsidiary that is not a Borrower or a Guarantor to:

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

(b) make loans or advances to UK Holdco or any of the Restricted Subsidiaries; or

(c) sell, lease or transfer any of its properties or assets to UK Holdco or any of the Restricted Subsidiaries;

except in each case for such encumbrances or restrictions existing under or by reason of:

(1) contractual encumbrances or restrictions in effect or entered into or existing on the Closing Date, including pursuant to this Agreement, Hedging Obligations and the other documents relating to the Transactions;

(2) this Agreement, the Loan Documents, the Senior Secured Notes, any additional notes permitted to be Incurred under the Senior Secured Notes Indenture and, in each case, any guarantees thereof;

(3) applicable law or any applicable rule, regulation or order;

(4) any agreement or other instrument of a Person acquired by UK Holdco or any Restricted Subsidiary which was in existence at the time of such acquisition or at the time it merges with or into UK Holdco or any Restricted Subsidiary or assumed in connection with the acquisition of assets from such Person (but not created in contemplation thereof), which encumbrance or restriction is not applicable to any Person, or the properties or assets of any Person and its Subsidiaries, other than the Person, or the property or assets of the Person and its Subsidiaries, so acquired or the property or assets so assumed;
contracts or agreements for the sale of assets, including customary restrictions with respect to a Restricted Subsidiary imposed pursuant to an agreement entered into for the sale or disposition of all or substantially all the Capital Stock or assets of such Restricted Subsidiary;

Indebtedness secured by a Lien that is otherwise permitted to be Incurred pursuant to Sections 7.2 and 7.7 that limit the right of the debtor to dispose of the assets securing such Indebtedness;

restrictions on cash or other deposits or net worth imposed by customers under contracts entered into in the ordinary course of business;

customary provisions in joint venture, operating or other similar agreements, asset sale agreements and stock sale agreements in connection with the entering into of such transaction;

purchase money obligations for property acquired and Capitalized Lease Obligations in the ordinary course of business that impose restrictions of the nature described in clause (c) of this Section 7.4 on the property so acquired;

customary provisions contained in leases, licenses, contracts and other similar agreements entered into in the ordinary course of business (including leases or licenses of intellectual property) that impose restrictions of the type described in clause (c) of this Section 7.4 on the property subject to such lease, license, contract or agreement;

any encumbrance or restriction of a Receivables Subsidiary effected in connection with a Qualified Receivables Financing; provided, that such restrictions apply only to such Receivables Subsidiary;

other Indebtedness, Disqualified Stock or Preferred Stock of UK Holdco or any Restricted Subsidiary that is Incurred subsequent to the Closing Date pursuant to Section 7.2; provided that either (A) such encumbrances and restrictions contained in any agreement or instrument will not materially affect the Borrowers’ ability to make anticipated principal or interest payment on the Loans (as determined by the Borrower Representative in good faith) or (B) such encumbrances and restrictions are not materially more restrictive, taken as a whole, than those contained in the Senior Secured Notes Indenture (with respect to other indentures) or this Agreement (with respect to other credit agreements);
any Restricted Investment not prohibited by Section 7.3 and any Permitted Investment;

arising or agreed to in the ordinary course of business, not relating to any Indebtedness, and that do not, individually or in the aggregate, detract from the value of property or assets of UK Holdco or any Restricted Subsidiary in any manner material to UK Holdco or any Restricted Subsidiary;

existing under, by reason of or with respect to Refinancing Indebtedness; provided that the encumbrances and restrictions contained in the agreements governing that Refinancing Indebtedness are not materially more restrictive, taken as a whole, than those contained in the agreements governing the Indebtedness being Refinanced (as determined by the Borrower Representative in good faith);

restrictions or conditions contained in any trading, netting, operating, construction, service, supply, purchase, sale or other agreement to which UK Holdco or any of the Restricted Subsidiaries is a party entered into in the ordinary course of business; provided that such agreement prohibits the encumbrance of solely the property or assets of UK Holdco or such Restricted Subsidiary that are the subject of such agreement, the payment rights arising thereunder or the proceeds thereof and does not extend to any other asset or property of UK Holdco or such Restricted Subsidiary or the assets or property of any other Restricted Subsidiary; and

any encumbrances or restrictions of the type referred to in clauses (a), (b) and (c) of this Section 7.4 imposed by any amendments, modifications, restatements, renewals, increases, supplements, refundings, replacements or refinancings of the contracts, instruments or obligations referred to in clauses (1) through (16) above; provided that such amendments, modifications, restatements, renewals, increases, supplements, refundings, replacements or refinancings are, in the good faith judgment of the Borrower Representative, not materially more restrictive when taken as a whole with respect to such dividend and other payment restrictions than those contained in the dividend or other payment restrictions prior to such amendment, modification, restatement, renewal, increase, supplement, refunding, replacement or refinancing.
For purposes of determining compliance with this Section 7.4, (i) the priority of any Preferred Stock in receiving dividends or liquidating distributions prior to dividends or liquidating distributions being paid on common stock shall not be deemed a restriction on the ability to make distributions on Capital Stock and (ii) the subordination of loans or advances made to UK Holdco or a Restricted Subsidiary to other Indebtedness Incurred by UK Holdco or such Restricted Subsidiary shall not be deemed a restriction on the ability to make loans or advances.

7.5 Asset Sales. UK Holdco will not, and will not permit any of the Restricted Subsidiaries to, cause or make an Asset Sale, unless:

(a) UK Holdco or any of the 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 Borrower Representative) of the Equity Interests issued or assets sold or otherwise disposed of;

(b) [reserved]; and

(c) except in the case of a Permitted Asset Swap, at least 75% of the consideration therefor received by UK Holdco or such Restricted Subsidiary, as the case may be, when taken together with the consideration for all other Asset Sales pursuant to this Section 7.5 since the Closing Date (on a cumulative basis), is in the form of cash or Cash Equivalents, provided, however, that in the case of Asset Sales involving the disposition of non-core assets (as determined by the Borrower Representative in its good faith judgment provided the value of such non-core assets does not exceed 50% of the consideration payable in connection with such acquisition) acquired as part of any acquisition after the Closing Date, only 50% of the consideration therefor, when taken together with the consideration for all other Asset Sales pursuant to this proviso since the Closing Date, must be in the form of cash or Cash Equivalents; provided, further, that the amount of:

(i) any liabilities (as shown on UK Holdco’s or such Restricted Subsidiary’s most recent balance sheet or in the notes thereto or, if Incurred, increased or decreased subsequent to the date of such balance sheet, such liabilities that would have been reflected in UK Holdco’s or such Restricted Subsidiary’s balance sheet or in the notes thereto if such incurrence, increase or decrease had taken place on the date of such balance sheet, as reasonably determined in good faith by the Borrower Representative) of UK Holdco or any Restricted Subsidiary (other than liabilities that are by their terms subordinated to the Obligations) that are assumed by the transferee (or a third party on behalf of the transferee) of any such assets or Equity Interests pursuant to an agreement that releases or indemnifies UK Holdco or such Restricted Subsidiary (or a third party on behalf of the transferee), as the case may be, from further liability;
(ii) any notes or other obligations or other securities or assets received by UK Holdco or such Restricted Subsidiary from such transferee that are converted by UK Holdco or such Restricted Subsidiary into cash within 180 days of the receipt thereof (to the extent of the cash received);

(iii) any Designated Non-cash Consideration received by UK Holdco or any of the 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 $75,000,000 and 24% of Consolidated EBITDA as of the most recently ended Reference Period, 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);

(iv) Indebtedness of any Restricted Subsidiary that is no longer a Restricted Subsidiary as a result of such Asset Sale, to the extent that UK Holdco and each other Restricted Subsidiary are released from any Guarantee of such Indebtedness in connection with such Asset Sale; and

(v) consideration consisting of Indebtedness of UK Holdco or any Guarantor received from Persons who are not UK Holdco or a Restricted Subsidiary,

shall each be deemed to be Cash Equivalents for the purposes of this Section 7.5:

After UK Holdco’s or any Restricted Subsidiary’s receipt of the Net Cash Proceeds of any Asset Sale pursuant to clauses (a) to (c) above, UK Holdco or such Restricted Subsidiary shall apply the Net Cash Proceeds from such Asset Sale if and to the extent required by Section 2.11(c).

7.6 [Reserved].

7.7 Liens. UK Holdco will not, and will not permit any of the Restricted Subsidiaries to, create or incur any Lien (other than Permitted Liens) that secures obligations under any Indebtedness on any asset or property of UK Holdco or any Restricted Subsidiary.

7.8 Fundamental Changes. UK Holdco will not, nor will it permit any of the Restricted Subsidiaries to, directly or indirectly merge, dissolve, liquidate, amalgamate, consolidate with or into another Person, or Dispose of (whether in one transaction or in a series of transactions) all or substantially all of its assets (whether now owned or hereafter acquired) to or in favor of any Person, except that:
(a) (i) any Restricted Subsidiary (other than any Borrower) may merge, amalgamate or consolidate with (1) any US Borrower (including a merger the purpose of which is to reorganize such US Borrower into a new jurisdiction in any State of the United States); provided that such US Borrower shall be the continuing or surviving Person or the surviving Person shall expressly assume the obligations of such US Borrower pursuant to documents reasonably acceptable to the Administrative Agent, (2) the Lux Borrower; provided that the Lux Borrower shall be the continuing or surviving Person, or (3) any one or more other Restricted Subsidiaries and (ii) any Borrower may merge, amalgamate or consolidate with any other Borrower; provided that, in the case of a merger, amalgamation or consolidation with the Lux Borrower, if the surviving Person is not the Lux Borrower such surviving Person shall be subject to Section 6.20(a); provided that (y) when any Additional Revolving Borrower is merging, amalgamating or consolidating with another Restricted Subsidiary that is not another Additional Revolving Borrower or a Loan Party then either (A) the Additional Revolving Borrower shall be the continuing or surviving Person and resident in its jurisdiction of incorporation or (B) (I) the Additional Revolving Borrower shall cease to be a Borrower under this Agreement in accordance with Section 12.3, (II) to the extent constituting an Investment, such Investment must be an Investment permitted hereunder and (III) to the extent constituting a Disposition, such Disposition must be permitted hereunder and (z) when any Guarantor is merging with another Restricted Subsidiary that is not a Loan Party (A) the Guarantor shall be the continuing or surviving Person or (B) (I) to the extent constituting an Investment, such Investment must be an Investment permitted hereunder and (II) to the extent constituting a Disposition, such Disposition must be permitted hereunder;

(b) (i) any Restricted Subsidiary that is not a Loan Party may merge, amalgamate or consolidate with or into any other Restricted Subsidiary that is not a Loan Party and (ii) any Restricted Subsidiary may liquidate or dissolve, or any Borrower or any Restricted Subsidiary may (if the validity, perfection and priority of the Liens securing the Obligations is not adversely affected thereby) change its legal form if the Borrower Representative determines in good faith that such action is in the best interest of UK Holdco and its Subsidiaries and is not disadvantageous to the Lenders in any material respect (it being understood that in the case of any dissolution of a Restricted Subsidiary that is (A) an Additional Revolving Borrower, such Subsidiary shall at or before the time of such dissolution cease to be an Additional Revolving Borrower under this Agreement in accordance with Section 12.3 or (B) a Guarantor, such Subsidiary shall at or before the time of such dissolution transfer its assets to another Restricted Subsidiary that is a Guarantor unless such Disposition of assets is permitted hereunder; and in the case of any change in legal form, a Restricted Subsidiary that is an Additional Revolving Borrower or a Guarantor is otherwise permitted to cease being an Additional Revolving Borrower or Guarantor hereunder;

(c) any Restricted Subsidiary (other than any Borrower) may Dispose of all or substantially all of its assets (upon voluntary liquidation or otherwise) to any Borrower or to any Restricted Subsidiary; provided that if the transferor in such a transaction is (A) an Additional Revolving Borrower, then such Subsidiary shall cease to be an Additional Revolving Borrower under this Agreement in accordance with Section 12.3 or (B) a Guarantor, then (i) the transferee must either be a Borrower or a Guarantor and (ii) to the extent constituting an Investment, such Investment must be an Investment permitted hereunder; provided, further, that any US Borrower may Dispose of all or substantially all of its assets (upon voluntary liquidation or otherwise) to any other Loan Party;

(d) any Restricted Subsidiary may merge, amalgamate or consolidate with, or dissolve into, any other Person in order to effect an Investment permitted hereunder; provided that (i) the continuing or surviving Person shall, to the extent subject to the terms hereof, have complied with the requirements of Section 6.9, (ii) to the extent constituting an Investment, such Investment must be an Investment permitted hereunder, (iii) to the extent constituting a Disposition, such Disposition must be permitted hereunder and (iv) to the extent such Restricted Subsidiary is an Additional Revolving Borrower, it shall cease to be an Additional Revolving Borrower in accordance with Section 12.3;
(e) UK Holdco, the Borrowers and the other Restricted Subsidiaries may consummate the Transactions;

(f) subject to clause (a) above, any Restricted Subsidiary (excluding any Borrower other than any US Borrower) may merge, dissolve, liquidate, amalgamate, consolidate with or into another Person in order to effect a Disposition permitted pursuant to Section 7.5; provided that if such Restricted Subsidiary is an Additional Revolving Borrower, it shall cease to be an Additional Revolving Borrower in accordance with Section 12.3; and

(g) any Investment permitted hereunder may be structured as a merger, consolidation or amalgamation, provided, in each case, that if any asset subject to a disposal or transfer to, or merger, amalgamation or consolidation with, or dissolution into, any other Loan Party pursuant to this Section 7.8 is subject to a Lien created by any Security Document at the time of such disposal or transfer to, or merger, amalgamation or consolidation with, or dissolution into, such other Loan Party, it shall be disposed of or transferred on the basis that it shall remain subject to, or otherwise become subject to equivalent, Liens under a Security Document immediately following such disposal (subject to the Agreed Security Principles).

7.9 [Reserved].

7.10 Changes in Fiscal Periods. UK Holdco will not permit the fiscal year of UK Holdco to end on a day other than December 31 or change UK Holdco’s method of determining fiscal quarters except upon written notice to the Administrative Agent whereupon the Borrower Representative and the Administrative Agent will, and are hereby authorized, without the consent of any other Secured Party or other Person, to make such adjustments to this Agreement as are reasonably necessary to reflect such change in fiscal year or method of determining fiscal quarters.

7.11 Negative Pledge Clauses. UK Holdco will not, and will not permit any of the Restricted Subsidiaries that is a Loan Party to, enter into or suffer to exist or become effective any agreement that prohibits or limits the ability of UK Holdco or any Group Member that is a Loan Party to create, incur, assume or suffer to exist any Lien upon any of its property or revenues that constitutes Collateral, whether now owned or hereafter acquired, to secure its obligations under the Loan Documents to which it is a party other than (a) this Agreement and the other Loan Documents, (b) any agreements evidencing or governing any purchase money Liens or Capitalized Lease Obligations otherwise permitted hereby (in which case, any prohibition or limitation shall only be effective against the assets financed thereby), (c) customary restrictions on the assignment of leases, licenses and contracts entered into in the ordinary course of business, (d) any agreement in effect at the time any Person becomes a Restricted Subsidiary; provided that such agreement was not entered into in contemplation of such Person becoming a Restricted Subsidiary, (e) customary restrictions and conditions contained in agreements relating to the sale of a Restricted Subsidiary (or the assets of a Restricted Subsidiary) pending such sale; provided that such restrictions and conditions apply only to the Restricted Subsidiary that is to be sold (or whose assets are to be sold) and such sale is permitted hereunder), (f) restrictions and conditions existing on the Closing Date and any amendments or modifications thereto so long as such amendment or modification, taken as a whole, does not expand the scope of any such restriction or condition in any material respect as determined by the Borrower Representative in good faith, (g) restrictions under agreements evidencing or governing or otherwise relating to Indebtedness of Non-Guarantor Subsidiaries permitted under Section 7.2; provided that such Indebtedness is only with respect to the assets of Non-Guarantor Subsidiaries, (h) customary provisions in joint venture agreements, limited liability company operating agreements, partnership agreements, stockholders agreements and other similar agreements, (i) restrictions contained in agreements governing the Senior Secured Notes and (j) restrictions contained in agreements governing Indebtedness, Preferred Stock or Disqualified Stock permitted by Section 7.2 that (x) are not materially more restrictive, taken as a whole, than the restrictions contained in this Agreement (as determined by the Borrower Representative in good faith) or (y) will not materially impair the Borrowers’ obligation or ability to make any payments required hereunder (as determined by the Borrower Representative in good faith).
SECTION 8.
GUARANTEE

8.1 The Guarantee. (a) [Reserved].

(b) Each Guarantor hereby jointly and severally guarantees, as a primary obligor and not as a surety, to each Secured Party and their respective successors and assigns, the prompt payment in full when due (whether at stated maturity, by required prepayment, declaration, demand, by acceleration or otherwise) of (1) the principal of and interest (including any interest, fees, costs or charges that would accrue but for the provisions of the Bankruptcy Code after any bankruptcy or insolvency petition under the Bankruptcy Code or any similar law of any other jurisdiction) on (i) the Loans made by the Lenders to, including the Loans represented by the Notes held by each Lender of, any Borrower, (ii) the Incremental Loans made by the Incremental Term Lenders or Incremental Revolving Lenders to any Borrower, (iii) the Other Term Loans and Other Revolving Loans made by any lender thereof, and (iv) the Notes held by each Lender of any Borrower and (2) all other Obligations from time to time owing to the Secured Parties by any Borrower (such obligations under clauses (1) and (2) being herein collectively called the “Guaranteed Obligations” and the “Guarantor Obligations”). Each Guarantor hereby jointly and severally agrees that, if any Borrower shall fail to pay in full when due (whether at stated maturity, by acceleration or otherwise) any of the Guaranteed Obligations, such Guarantor will promptly pay the same in cash, without any demand or notice whatsoever, and that in the case of any extension of time of payment or renewal of any of the Guaranteed Obligations, the same will be promptly paid in full when due (whether at extended maturity, by acceleration or otherwise) in accordance with the terms of such extension or renewal.

8.2 Obligations Unconditional.

(a) The obligations of the Guarantors under Section 8.1 shall constitute a guaranty of payment (and not of collection) and to the fullest extent permitted by applicable Requirements of Law, are absolute, irrevocable and unconditional, joint and several, irrespective of the value, genuineness, validity, regularity or enforceability of the Guaranteed Obligations under this Agreement, the Notes, if any, or any other agreement or instrument referred to herein or therein, or any substitution, release or exchange of any other guarantee of or security for any of the Guaranteed Obligations, and, in each case, irrespective of any other circumstance whatsoever that might otherwise constitute a legal or equitable discharge or defense of a surety by any Guarantor (except for payment in full). Without limiting the generality of the foregoing, it is agreed that the occurrence of any one or more of the following shall not alter or impair the liability of any Guarantor hereunder, which shall, in each case, remain absolute, irrevocable and unconditional under any and all circumstances as described above:
(i) at any time or from time to time, without notice to any Guarantor, the time for any performance of or compliance with any of the Guarantor Obligations shall be extended, or such performance or compliance shall be waived;

(ii) any of the acts mentioned in any of the provisions of this Agreement or the Notes, if any, or any other agreement or instrument referred to herein or therein shall be done or omitted;

(iii) the maturity of any of the Guarantor Obligations shall be accelerated, or any of the Guarantor Obligations shall be amended in any respect, or any right under the Loan Documents or any other agreement or instrument referred to herein or therein shall be amended or waived in any respect or any other guarantee of any of the Guarantor Obligations or any security therefor shall be released or exchanged in whole or in part or otherwise dealt with;

(iv) any Lien or security interest granted to, or in favor of, the Issuing Lenders or any Lender or the Administrative Agent or Collateral Agent as security for any of the Guarantor Obligations shall fail to be valid or perfected or entitled to the expected priority;

(v) the release of any other Guarantor pursuant to Section 8.9 10.10 or otherwise; or

(vi) except for the payment in full of the Guarantor Obligations, any other circumstance whatsoever which may or might in any manner or to any extent vary the risk of any Guarantor as an obligor in respect of the Guarantor Obligations or which constitutes, or might be construed to constitute, an equitable or legal discharge of any Borrower or any Guarantor for the Guarantor Obligations, or of such Guarantor under the Guarantee or of any security interest granted by any Guarantor, whether in a proceeding under any Debtor Relief Law or in any other instance.
Each of the Guarantors hereby expressly waives diligence, presentment, demand of payment, marshaling, protest and all
notices whatsoever, and any requirement that any Secured Party exhaust any right, power or remedy or proceed against any Borrower under this
Agreement or the Notes, if any, or any other agreement or instrument referred to herein or therein, or against any other person under any other
guarantee of, or security for, any of the Guarantor Obligations. Each of the Guarantors waive any and all notice of the creation, renewal, extension,
waiver, termination or accrual of any of the Guarantor Obligations and notice of or proof of reliance by any Secured Party upon the guarantee made
under this Section 8 (this “Guarantee”) or acceptance of the Guarantee, and the Guarantor Obligations, and any of them, shall conclusively be deemed
to have been created, contracted or incurred in reliance upon the Guarantee, and all dealings between the Borrowers and the Secured Parties shall
likewise be conclusively presumed to have been had or consummated in reliance upon the Guarantee. The Guarantee shall be construed as a
continuing, absolute, irrevocable and unconditional guarantee of payment without regard to any right of offset with respect to the Guarantor
Obligations at any time or from time to time held by the Secured Parties and the obligations and liabilities of the Guarantors hereunder shall not be
conditioned or contingent upon the pursuit by the Secured Parties or any other person at any time of any right or remedy against any Borrower or
against any other person which may be or become liable in respect of all or any part of the Guarantor Obligations or against any collateral security or
guarantee therefor or right of offset with respect thereto. The Guarantee shall remain in full force and effect and be binding in accordance with and to
the extent of its terms upon the Guarantors and the successors and assigns thereof, and shall inure to the benefit of the applicable Lenders, and their
respective successors and assigns, notwithstanding that from time to time during the term of this Agreement there may be no Guarantor Obligations
outstanding.

8.3 Reinstatement. The obligations of the Guarantors under this Section 8 shall be automatically reinstated if and to the extent that for
any reason any payment by or on behalf of the Borrowers or any other Loan Party in respect of the Guarantor Obligations is rescinded or must be
otherwise restored by any holder of any of the Guarantor Obligations, whether as a result of any proceedings in bankruptcy or reorganization or
otherwise.

8.4 No Subrogation. Each Guarantor hereby agrees that until the payment and satisfaction in full in cash of all Guarantor Obligations
(other than contingent indemnification and reimbursement obligations for which no claim has been made) and the expiration and termination of the
Commitments under this Agreement, it shall waive any claim and shall not exercise any right or remedy, direct or indirect, arising by reason of any
performance by it of its Guarantee, whether by subrogation, right of contribution or otherwise, against any Borrower or any other Guarantor of any of
the Guarantor Obligations or any security for any of the Guarantor Obligations.

8.5 Remedies. Each Guarantor jointly and severally agrees that, as between the Guarantors and the Lenders, the obligations of each
Borrower under this Agreement and the Notes, if any, may be declared to be forthwith due and payable as provided in Section 9 (and shall be deemed
to have become automatically due and payable in the circumstances provided in Section 9) for purposes of Section 8.1, notwithstanding any stay,
injunction or other prohibition preventing such declaration (or such obligations from becoming automatically due and payable) as against any Borrower
or any Guarantor and that, in the event of such declaration (or such obligations being deemed to have become automatically due and payable, or the
circumstances occurring where Section 9 provides that such obligations shall become due and payable), such obligations (whether or not due and
payable by any Borrower) shall forthwith become due and payable by the Guarantors for purposes of Section 8.1.

8.6 Instrument for the Payment of Money. Each Guarantor hereby acknowledges that the Guarantee constitutes an instrument for the
payment of money, and consents and agrees that any Lender or the Administrative Agent, at its sole option, in the event of a dispute by such
Guarantor in the payment of any moneys due hereunder, shall have the right to bring a motion-action under New York CPLR Section 3213.

8.7 Continuing Guarantee. The Guarantee made by the Guarantors is a continuing guarantee of payment, and shall apply to all
Guaranteed Obligations whenever arising.
8.8 General Limitation on Guarantor Obligations. In any action or proceeding involving any federal, state, provincial or territorial, corporate, limited partnership or limited liability company law, or any applicable state, federal or foreign bankruptcy, insolvency, reorganization or other law affecting the rights of creditors generally, if the obligations of any Guarantor under Section 8.1 would otherwise be held or determined to be void, voidable, invalid or unenforceable, or subordinated to the claims of any other creditors, on account of the amount of its liability under Section 8.1, then, notwithstanding any other provision to the contrary, the amount of such liability of such Guarantor shall, without any further action by such Guarantor, any Loan Party or any other Person, be automatically limited and reduced to the highest amount (after giving effect to the right of contribution established in Section 8.10) that is valid and enforceable and not subordinated to the claims of other creditors as determined in such action or proceeding. To effectuate the foregoing, the Administrative Agent and the Guarantors hereby irrevocably agree that the Guarantor Obligations of each Guarantor in respect of the Guarantee at any time shall be limited to the maximum amount as will result in the Guarantor Obligations of such Guarantor with respect thereto not constituting a fraudulent transfer or conveyance after giving full effect to the liability under such Guarantee and its related contribution rights but before taking into account any liabilities under any other guarantee by such Guarantor. For purposes of the foregoing, all guarantees of such Guarantor other than its Guarantee will be deemed to be enforceable and payable after the Guarantee. To the fullest extent permitted by applicable law, this Section 8.8 shall be for the benefit solely of creditors and representatives of creditors of each Guarantor and not for the benefit of such Guarantor or the holders of any Equity Interest in such Guarantor.

8.9 Release of Subsidiary Guarantors. A Subsidiary Guarantor or a Borrower shall be automatically released from its obligations hereunder in the event that all the Capital Stock of such Subsidiary Guarantor or Borrower shall be sold, transferred or otherwise disposed of to a Person other than a Loan Party in a transaction permitted by this Agreement. In connection with any such release of a Guarantor or Borrower, the Administrative Agent shall execute and deliver to the Borrower Representative, at the Borrower Representative’s expense, all UCC termination statements and other documents that the Borrower Representative shall reasonably request to evidence such release.

8.10 Right of Contribution. Each Guarantor hereby agrees that to the extent that a Guarantor shall have paid more than its proportionate share of any payment made hereunder, such Subsidiary Guarantor shall be entitled to seek and receive contribution from and against any other Guarantor hereunder which has not paid its proportionate share of such payment. Each Guarantor’s right of contribution shall be subject to the terms and conditions of Section 8.4. The provisions of this Section 8.10 shall in no respect limit the obligations and liabilities of any Guarantor to the Administrative Agent and the other Secured Parties, and each Guarantor shall remain liable to the Administrative Agent and the other Secured Parties for the full amount guaranteed by such Guarantor hereunder. Notwithstanding the foregoing, no Excluded ECP Guarantor shall have any obligations or liabilities to any Guarantor, the Administrative Agent or any other Secured Party with respect to Excluded Swap Obligations.

8.11 Keepwell. Each Qualified ECP Guarantor hereby jointly and severally absolutely, unconditionally and irrevocably undertakes to provide such funds or other support as may be needed from time to time by each other Loan Party to honor all of its obligations under the Guarantee in respect of Swap Obligations (provided, however, that each Qualified ECP Guarantor shall only be liable under this Section 8.11 for the maximum amount of such liability that can be hereby incurred without rendering its obligations under this Section 8.11, or otherwise under the Guarantee, as it relates to such Loan Party, voidable under applicable law relating to fraudulent conveyance or fraudulent transfer, and not for any greater amount). The obligations of each Qualified ECP Guarantor under this Section 8.11 shall remain in full force and effect until the termination and release of all Obligations in accordance with the terms of this Agreement. Each Qualified ECP Guarantor intends that this Section 8.11 constitute, and this Section 8.11 shall be deemed to constitute, a “keepwell, support, or other agreement” for the benefit of each other Loan Party for all purposes of Section 1a(18)(A)(v)(II) of the Commodity Exchange Act.
8.12 Limitations.

(a) Limitations in Luxembourg.

(i) Notwithstanding anything to the contrary contained in this Agreement or in any other Loan Document, the aggregate obligations of a Luxembourg Guarantor in respect of the obligations of a Group Member which is not a direct or indirect subsidiary of such Luxembourg Guarantor shall be limited at any time to an aggregate amount not exceeding 90% of the greater of:

1. an amount equal to the sum of the Luxembourg Guarantor’s Net Assets (Capitaux Propres), as referred to in annex I to the grand-ducal regulation dated 18 December 2015 defining the form and content of the presentation of balance sheet and profit and loss account, and enforcing the Luxembourg law dated 19 December 2002 on the register of commerce and companies, accounting and companies annual accounts, as amended (the “Regulation”) and its subordinated debt (dettes subordonnées), as reflected in the financial information of the Luxembourg Guarantor available to the Secured Parties as at the Closing Date or (as applicable) as at the date of its accession as a Guarantor, including, without limitation, its most recently and duly approved financial statements (comptes annuels) and any (unaudited) interim financial statements signed by its board of directors (administrateurs); and

2. an amount equal to the sum of the Luxembourg Guarantor’s Net Assets (Capitaux Propres), as referred to in the Regulation, and its subordinated debt (dettes subordonnées), as reflected in the financial information of the Luxembourg Guarantor available to the Secured Parties as at the date the Guarantee is called, including, without limitation, its most recently and duly approved financial statements (comptes annuels) and any (unaudited) interim financial statements signed by its board of directors (administrateurs).

(ii) The limitation set forth at paragraph (i) above shall not apply to any amounts borrowed under this Agreement and made available, in any form whatsoever, to such Luxembourg Guarantor or any of its direct or indirect subsidiaries.
(iii) The Luxembourg Guarantor’s obligations under this Section 8 will not extend to include any obligations or liabilities if such inclusion would constitute a breach of the financial assistance prohibitions contained at Article 430-19 (where applicable) of the Luxembourg law on commercial companies of 10 August 1915, as amended.

(b) Limitations in the United Kingdom. Notwithstanding anything to the contrary contained in this Agreement or in any other Loan Documents, this Guarantee does not apply to any liability to the extent that it would result in such Guarantee constituting unlawful financial assistance within the meaning of sections 678 or 679 of the United Kingdom Companies Act 2006.

(c) Limitations in Spain. Notwithstanding anything to the contrary contained in this Agreement or in any other Loan Document, the aggregate obligations of a Spanish Guarantor will not extend to any liability to the extent that it would result in such guarantee constituting unlawful financial assistance within the meaning of Sections 143.2 and 150 of the Spanish Companies’ Act (Ley de Sociedades de Capital). This Guarantee is independent and separate from the obligations of the Borrowers or other Guarantors and, consequently, the guarantee granted by any Spanish Loan Party under this Agreement will in no event be construed or configured as a Spanish “fianza” for the purposes of article 1,822 seq of the Spanish Civil Code. The obligations of each Spanish Loan Party under this Clause 8 will not be affected by any action made under the Additional Section 4 (Disposición Adicional Cuarta) of the Spanish Insolvency Law, 22/2003 (Ley Concursal) in relation to any other Spanish Loan Party. For the purposes of article 135 of the Spanish Insolvency Law, the obligations of a Guarantor that is a Spanish Loan Party under this Agreement vis-à-vis each Lender shall be governed by the terms of this Agreement at any time such that each Spanish Loan Party’s obligations pursuant to this Section 8 shall not be affected in any way by the settlement agreement that may be agreed in the insolvency proceedings of any other Spanish Loan Party (nor shall they be deemed amended as a consequence of the approval of that settlement agreement) that each of the Lenders has approved or acceded to or irrespective of the fact that any such Lender has not approved or acceded to, that settlement agreement.

(d) Limitations in Germany.

(i) The Secured Parties agree not to enforce the Guarantee granted under this Section 8 (Guarantee) against a Guarantor incorporated in Germany as a limited liability company (GmbH) (a “German GmbH Guarantor”), or as a limited partnership (Kommanditgesellschaft) with a limited liability company as sole general partner (GmbH & Co. KG) (the “German GmbH & Co. KG Guarantor”, together with any German GmbH Guarantor hereinafter referred to as a “German Guarantor”) to the extent that this Guarantee secures liabilities of an affiliated company (verbundenes Unternehmen) within the meaning of Section 15 et seq. of the German Stock Corporation Act (AktG Aktiengesetz) of that German Guarantor (other than the German Guarantor’s (direct or indirect) Subsidiaries) (the “Guaranteed Loan Party”) if and to the extent that a payment under the Guarantee would cause that German Guarantor’s, or, in the case of a German GmbH & Co. KG Guarantor, its general partner’s, net assets (to be calculated in accordance with generally accepted accounting principles applicable in Germany consistently applied by the German Guarantor in preparing its unconsolidated balance sheets (Jahresabschluss according to § 42 GmbH-Akt. §§ 242, 264 of the German Commercial Code (HGB Handelsgesetzbuch)) being the German Guarantors’ or, in the case of a German GmbH & Co. KG Guarantor, its general partner’s, assets less the sum of (i) the German Guarantor’s liabilities (to be calculated in accordance with generally accepted accounting principles applicable in Germany consistently applied by the German Guarantor in preparing its unconsolidated balance sheets (Jahresabschluss according to § 42 GmbH-Akt. §§ 242, 264 of the German Commercial Code), (disregarding, for the avoidance of doubt, (x) any provision in respect of the guarantee created under this Agreement, and (y) any provision in respect of or liabilities of the German Guarantor under any Guarantee of senior unsecured indebtedness or Indebtedness subordinated in right of payment to the Obligations which Guarantee contains a limitation as to maximum amount similar to that set forth in this paragraph, pursuant to which the liability of such Guarantor hereunder is included in the liabilities taken into account in determining such maximum amount), (ii) the amounts of profits (Gewinne) not available for distribution to its shareholders and (iii) the stated share capital (Stammkapital) of the German Guarantor or, in the case of a German Guarantor in the legal form of GmbH & Co. KG, its general partner (the “Net Assets”), (as adjusted in accordance with sub-paragraph (ii) below) to be reduced below zero, or further reduced if already below zero.
For the purposes of the calculation of the Net Assets the following balance sheet items shall be adjusted as follows:

1. The amount of any increase of the stated share capital (Stammkapital) of the German Guarantor, or, in case of a German GmbH & Co. KG Guarantor, its general partner, after the Closing Date (A) that has been effected without the prior written consent of the Administrative Agent out of retained earnings (Kapitalerhöhung aus Gesellschaftsmitteln) or (B) to the extent that it is not fully paid up, shall be deducted from the stated share capital;

2. Loans and contractual liabilities incurred in violation of the provisions of the Loan Documents shall be disregarded; and
any liabilities of the German Guarantor in respect of intercompany indebtedness owed to any other Loan Party to the extent that such intercompany indebtedness may be permanently discharged in an amount equal to the amount paid by such German Guarantor hereunder by way of set-off, contribution, waiver or otherwise (and the relevant Loan Parties are actually permitted to do so under the Loan Documents and applicable law at the relevant time).

(iii) In addition, each German Guarantor, and, in the case of a German GmbH & Co. KG Guarantor, its general partner, shall, for the purposes of determining the Net Assets, upon the request of the Collateral Agent realize, to the extent legally permitted and commercially justifiable with respect to the cost and efforts involved, in a situation where such German Guarantor, and, in the case of a German GmbH & Co. KG Guarantor, its general partner, does not have sufficient Net Assets to maintain its stated share capital, any and all of its assets that are shown in the balance sheet of the German Guarantor, or, in case of a German GmbH & Co. KG Guarantor, its general partner, with a book value (Buchwert) that is significantly lower than the market value of the assets if the asset is not necessary for such German Guarantor’s, and, in the case of a German GmbH & Co. KG Guarantor, its general partner’s, business, (betriebsnotwendig) (the “Realizable Assets”).

(iv) No Secured Party shall enforce this Agreement against the relevant German Guarantor before the Net Assets (as determined in accordance with clauses (i) and (ii) of this Section 8.12(d)), i.e., the amounts which may be claimed against a relevant German Guarantor, or, in the case of a German GmbH & Co. KG Guarantor, its general partner, have been determined in accordance with the following further procedure:

1. following a notification by the Collateral Agent to the relevant German Guarantor of the Secured Parties’ intention to enforce this Guarantee such German Guarantor shall notify the Collateral Agent in writing within twenty (20) Business Days of such notification of the Net Assets (the “Management Determination”). If the Collateral Agent disagrees with this Management Determination such German Guarantor, acting reasonably, shall engage at its expense a firm of auditors of international standard and repute which shall proceed to audit the relevant German Guarantor with a view to investigating such German Guarantor’s Net Assets (the “Auditors’ Determination”) within thirty (30) Business Days (or such longer period as has been agreed between the German Guarantor and the Collateral Agent) from the date the Collateral Agent has contested the Management Determination and the German Guarantor shall give notice of such engagement to the Collateral Agent. Each relevant German Guarantor shall render any and all reasonable assistance requested by the auditors for the purposes of facilitating the Auditors’ Determination and shall allow full access to and inspection of its books and any other necessary documents.
(2) The Auditors’ Determination of the Net Assets shall take into account, in addition to the terms set forth in clauses (i), (ii) and (iii) of this Section 8.12(d), the generally accepted accounting principles applicable in Germany and be based on the same principles that were applied when establishing the previous year’s balance sheet.

(3) The Secured Parties may proceed to enforce this Guarantee granted by the relevant German Guarantor, if and to the extent that (i) the German Guarantor has not provided the Management Determination within the twenty (20) Business Days period or (ii) an Auditors’ Determination cannot has not been obtained within the thirty (30) Business Days following notice by the Collateral Agent to the relevant German Guarantor that it disagrees with its Management Determination. The maximum amount that may be claimed against such relevant German Guarantor in those circumstances will be the amount determined by the Collateral Agent in good faith acting reasonably by reference to the most recent financial statements delivered in respect of the relevant German Guarantor under this Agreement and, based on such determination by the Collateral Agent, the payment of which would not result in such German Guarantor, or, in the case of a German GmbH & Co. KG Guarantor, its general partner, having insufficient assets to maintain its stated share capital. For the purpose of calculating such amount, the adjustments referred to in clauses (i) and (ii) of this Section 8.12(d) will be made to the most recent financial statements delivered as aforesaid.

(v) If the amount payable under the relevant Guarantee was determined in accordance with Section 8.12(d)(iv)(3), because an Auditors’ Determination or Management Determination could not be obtained as outlined in Section 8.12(d)(iv)(1), and, in such case, an Auditors’ Determination delivered by the relevant German Guarantor to the Collateral Agent within sixty (60) Business Days after the respective auditor should have been engaged in accordance with Section 8.12(d)(iv)(1) confirms that the amount available under the relevant Guarantee granted hereunder at the time of enforcement was less than the amount recovered by the Collateral Agent, the Secured Parties agree to release to the relevant German Guarantor an amount of the proceeds equal to the amount by which the recoveries relating to the relevant Guarantee exceeded the amount determined to be available.

206
(vi) The limitations set out in clause (i) of this Section 8.12(d) shall not apply:

1. to any amounts due and payable under any Loan Document which relate to funds which have been drawn under the Loans and on-lent to the relevant German Guarantor or to any of its (direct or indirect) Subsidiaries and such amounts on-lent have not been repaid prior to a demand for payment being made under this Guarantee and are still outstanding;

2. if the German Guarantor is subject to a domination and/or profit transfer agreement (Beherrschungs- und/oder Gewinnabführungsvertrag) (a “DPTA”) (as dominated entity) with the Guaranteed Loan Party, whether directly or indirectly through a chain of DPTAs between each company and its shareholder (or in case of a German GmbH & Co. KG Guarantor between its general partner and its shareholder), if and to the extent that the existence of a DPTA leads to the inapplicability of Section 30 para. 1 sentence 1 of the German Limited Liability Companies Act;

3. if and to the extent that the relevant German Guarantor holds on the date of enforcement of the Guarantee a fully recoverable indemnity claim or claim for refund (“vollwertiger Gegenleistungs- oder Rückgewähranspruch”) against the Guaranteed Loan Party; or

4. if and to the extent it is not required in order to avoid any personal liability of the managing directors of the German Guarantors (or, in case of a German GmbH & Co. KG Guarantor, of its general partner) as a result of a breach of section 30 GmbHG.

(vii) None of the reduction of the amount enforceable under this Agreement in accordance with the above limitations set out in this Section 8.12(d) will prejudice the rights of the Secured Parties to continue enforcing this Guarantee (subject always to the operation of the limitations set forth above at the time of such enforcement) until full satisfaction of the Guarantor Obligations of the German Guarantor.
(e) Each Guarantor that as of the Closing Date or thereafter is incorporated, organized or formed, as the case may be, under the laws of any jurisdiction other than those jurisdictions set forth in clauses (a) through (d) above (an “Other Guarantor”), and by its acceptance hereof, each Lender and the Administrative Agent, hereby confirm that it is the intention of all such parties that the Guarantee of an Other Guarantor (i) does not constitute a fraudulent transfer or conveyance for purposes of, or otherwise violate, applicable Law and (ii) shall be subject to the Agreed Security Principles. To effectuate the foregoing intention, each Lender and each Other Guarantor hereby irrevocably agrees that the obligations of an Other Guarantor under its Guarantee shall be limited to the maximum amount as will, after giving effect to all other contingent and fixed liabilities of such Other Guarantor result in the obligations of such Other Guarantor not constituting such a fraudulent transfer or conveyance or otherwise violating applicable Law and be subject to such other limitations in accordance with the Agreement Security Principles or under applicable Law and as are described in such Other Guarantor’s Guarantor Joinder Agreement and/or Borrower Joinder.

(f) Notwithstanding anything in this Section 8.12 to the contrary, if following the Closing Date:

(i) there shall be any change in the Laws of any of the jurisdictions set forth in clauses (a) and (b) of this Section 8.12;

(ii) there shall be any change in the Laws under which any Other Guarantor is incorporated, organized or formed, as the case may be; or

(iii) any Person shall be required to execute a Guarantee pursuant to Section 6.9 and such Person is incorporated, organized or formed, as the case may be, under the laws of any jurisdiction other than those in which entities are contemplated to become Guarantors as of the Closing Date, including those jurisdictions addressed in clauses (a) and (b) of this Section 8.12 and other than any jurisdiction in which a then existing Other Guarantor is incorporated, organized or formed, as the case may be (a “Future Guarantor”), and the Borrower Representative shall reasonably determine that the provisions of Section 8.12 hereof with respect to any Other Guarantor shall not adequately address the limitations on such Guarantee as set forth in the Agreed Security Principles or imposed by applicable Law of the jurisdiction of incorporation, organization or formation, as the case may be, of such Future Guarantor,

then the Administrative Agent and the Borrower Representative shall be permitted to amend such clause or add such additional provisions to such clause, as the case may be, to the extent necessary so that the Guarantee of a Guarantor is subject to the limitations set forth in the Agreed Security Principles or does not violate applicable Law.

(g) With respect to any Guarantor, this Guarantee is subject to any limitations set out in any Guarantor Joinder Agreement and/or Borrower Joinder applicable to such Guarantor.
SECTION 9.
EVENTS OF DEFAULT

9.1 Events of Default. An Event of Default shall occur if any of the following events shall occur and be continuing; provided that any requirement for the giving of notice, the lapse of time, or both, has been satisfied (any such event, an “Event of Default”):

(a) any Borrower shall fail to pay (x) any principal of any Loan or Reimbursement Obligation when due in accordance with the terms hereof or (y) any interest on any Loan or Reimbursement Obligation, or any other amount payable hereunder or under any other Loan Document, within three Business Days after any such interest or other amount becomes due in accordance with the terms hereof; or

(b) any representation or warranty made or deemed made by any Loan Party herein or in any other Loan Document or that is contained in any certificate furnished by it at any time under or in connection with this Agreement or any such other Loan Document shall prove to have been inaccurate in any material respect (except where such representations and warranties are already qualified by materiality, in which case, in any respect) on or as of the date made or deemed made (or if any representation or warranty is expressly stated to have been made as of a specific date, inaccurate in any material respect as of such specific date), and shall (to the extent capable of cure), remain inaccurate for a period of 30 days; it being understood and agreed that any breach of representation, warranty or certification resulting from the failure of the Administrative Agent to file any Uniform Commercial Code continuation statement (or other similar statement) shall not result in an Event of Default under this clause (b) or any other provision of any Loan Document; or

(c) any Loan Party shall default in the observance or performance of any agreement contained in Section 6.4(a)(i) (in respect of Holdings and UK Holdco), Section 6.7(a) (provided that (x) the delivery of a notice of Default or Event of Default at any time or (y) the curing of the underlying Default or Event of Default with respect to which notice is required to be given will, in each case, cure an Event of Default arising from the failure to timely deliver such notice of Default or Event of Default, as applicable, in each case unless a Responsible Officer of a Loan Party had actual knowledge of such Default or Event of Default or any Loan Party knowingly fails to give timely notice of any such Default or Event of Default) or Section 7 of this Agreement (other than Section 7.1); or

(d) subject to Section 9.4, UK Holdco shall default in the observance or performance of its agreement contained in Section 7.1; provided, notwithstanding anything to the contrary in this Agreement or any other Loan Document, a breach of the requirements of Section 7.1 shall not constitute an Event of Default for purposes of any Facility other than the Revolving Facility; or

(e) any Loan Party shall default in the observance or performance of any other agreement contained in this Agreement or any other Loan Document (other than as provided in paragraphs (a) through (d) of this Section 9.1), and such default shall continue unremedied for a period of 30 days after notice to the Borrower Representative from the Administrative Agent or the Required Lenders; or
any Group Member shall (i) default in making any payment of any principal of any Indebtedness (including any Guarantee Obligation in respect of Indebtedness, but excluding the Loans) on the scheduled or original due date with respect thereto; or (ii) default in making any payment of any interest on any such Indebtedness beyond the period of grace, if any, provided in the instrument or agreement under which such Indebtedness was created; or (iii) default in the observance or performance of any other agreement or condition relating to any such Indebtedness or contained in any instrument or agreement evidencing, securing or relating thereto, or any other event shall occur or condition exist, in each case beyond the applicable notice period and grace period, if any, provided therefor, the effect of which default or other event or condition is to (x) cause, or to permit the holder or beneficiary of such Indebtedness (or a trustee or agent on behalf of such holder or beneficiary) to cause, with the giving of notice if required, such Indebtedness to become due prior to its stated maturity or (in the case of any such Indebtedness constituting a Guarantee Obligation) to become payable or (y) to cause, with the giving of notice if required, any Group Member to purchase or redeem or make an offer to purchase or redeem such Indebtedness prior to its stated maturity or (in the case of any such Indebtedness constituting a Guarantee Obligation) to become payable; provided that a default, event or condition described in clause (i), (ii) or (iii) of this Section 9.1(f) shall not at any time constitute a Default or an Event of Default unless, at such time, one or more defaults, events or conditions of the type described in clauses (i), (ii) and (iii) of this Section 9.1(f) shall have occurred and be continuing with respect to Indebtedness the outstanding principal amount of which exceeds in the aggregate $125,000,000; provided, further, that clause (iii) of this Section 9.1(f) shall not apply to secured Indebtedness that becomes due as a result of the voluntary Disposition of the property or assets securing such Indebtedness, if such Disposition is permitted hereunder and such Indebtedness that becomes due is paid upon such Disposition; or

(g) (i) any Borrower, any Guarantor (other than any Guarantor that is an Immaterial Subsidiary) or any Significant Subsidiary shall commence any case, proceeding or other action (A) under any existing or future law of any jurisdiction, domestic or foreign, relating to bankruptcy, insolvency, reorganization, suspension of payments, moratorium of any indebtedness, winding up, dissolution, administration, scheme of arrangement or relief of debtors, seeking to have an order for relief entered with respect to it, or seeking to adjudicate it a bankrupt or insolvent, or seeking reorganization, arrangement, adjustment, winding up, liquidation, dissolution, composition, compromise or assignment or other relief with respect to it or its debts, or (B) seeking appointment of a liquidator, receiver, administrative receiver, administrator, compulsory manager, trustee, custodian, conservator or other similar official for it or for all or any substantial part of its assets or any Borrower, any Guarantor (other than any Guarantor that is an Immaterial Subsidiary) or any Significant Subsidiary shall make a general assignment for the benefit of its creditors; or (ii) there shall be commenced against any Borrower, any Guarantor (other than any Guarantor that is an Immaterial Subsidiary) or any Significant Subsidiary any case, proceeding, analogous procedure, step or other action of a nature referred to in clause (i) above that results in the entry of an order for relief or any such adjudication or appointment that (1) in respect of any US Subsidiary of UK Holdco, remains undismissed, undischarged or unbonded pending appeal for a period of 60 days and (2) in respect of Holdings, UK Holdco, the Lux Borrower and any Foreign Subsidiary, remains undismissed, undischarged or unbonded pending appeal for a period of 30 days; or (iii) there shall be commenced against any Borrower, any Guarantor (other than any Guarantor that is an Immaterial Subsidiary) or any Significant Subsidiary any case, proceeding or other action seeking issuance of a warrant of attachment, execution, distraint or similar process against all or any substantial part of its assets that results in the entry of an order for any such relief that (1) in respect of any US Subsidiary of UK Holdco, remains undismissed, undischarged or unbonded pending appeal within 60 days from the entry thereof and (2) in respect of Holdings, UK Holdco, the Lux Borrower and any Foreign Subsidiary, shall not have been vacated, discharged, or stayed or bonded pending appeal within 30 days from the entry thereof; or (iv) any Borrower, any Guarantor (other than any Guarantor that is an Immaterial Subsidiary) or any Significant Subsidiary shall take any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the acts set forth in clause (i), (ii), or (iii) above or (v) any Borrower, any Guarantor (other than any Guarantor that is an Immaterial Subsidiary) or any Significant Subsidiary shall generally not, or shall be unable to, or shall admit in writing its inability to, pay its debts as they become due;
(h) (i) any Person shall engage in any “prohibited transaction” (as defined in Section 406 of ERISA or Section 4975 of the Code) involving any Plan; (ii) any Plan shall fail to meet the minimum funding standards of Section 412 or 430 of the Code or Section 302 or 303 of ERISA or any Lien in favor of the PBGC or a Plan shall arise on the assets of any Group Member or any Commonly Controlled Entity; (iii) a Reportable Event shall occur with respect to, or proceedings shall commence to have a trustee appointed, or a trustee shall be appointed, to administer or to terminate, any Single Employer Plan, which Reportable Event or commencement of proceedings or appointment of a trustee is reasonably likely to result in the termination of such Plan for purposes of Title IV of ERISA; (iv) any Single Employer Plan shall terminate for purposes of Title IV of ERISA; (v) any Group Member or any Commonly Controlled Entity shall, or is reasonably likely to, incur any liability in connection with a complete or partial withdrawal from, or the Insolvency of, a Multiemployer Plan; (vi) any other event or condition shall occur or exist with respect to a Plan that could give rise to liability under Title IV of ERISA; or (vii) any Foreign Benefit Plan Event shall occur; and in each case in clauses (i) through (vii) above, such event or condition, together with all other such events or conditions, if any, would reasonably be expected to have a Material Adverse Effect; or

(i) one or more judgments or decrees shall be entered against any Group Member involving a liability (not (x) paid or covered by insurance as to which the relevant insurance company has been notified of the claim and has not denied coverage or (y) covered by valid third party indemnification obligation from a third party which is Solvent and which third party has been notified of the claim under such indemnification obligation and not disputed that it is liable for such claim) in an amount of at least $125,000,000, and all such judgments or decrees shall not have been vacated, discharged, stayed or bonded pending appeal within 60 days from the entry thereof; or

(j) any of the Security Documents shall cease, for any reason, to be in full force and effect, other than pursuant to the terms hereof or thereof, or any Loan Party shall so assert in writing, or any Lien created by any of the Security Documents shall cease to be enforceable and of the same effect and priority purported to be created thereby (other than pursuant to the terms hereof or thereof), except (A) to the extent that (x) any such loss of perfection or priority results from the failure of the Administrative Agent to maintain possession of certificates actually delivered to it representing securities pledged under any Security Agreement or from the failure of the Administrative Agent to file UCC continuation statements (or similar statements or filings in other jurisdictions) and (y) the Loan Parties take such action as the Administrative Agent may reasonably request to remedy such loss of perfection or priority or (B) where the Fair Market Value of the assets affected thereby does not exceed $100,000,000; or

(k) the Guarantee of Holdings, UK Holdco or a Significant Subsidiary of UK Holdco shall cease, for any reason, to be in full force and effect, other than as provided for in Sections 8.9 or 10.10, or any Loan Party or any Affiliate of any Loan Party shall so assert in writing;
9.1 (l) a Change of Control shall occur; or

(m) any Loan Party repudiates or rescinds this Agreement or the Loan Documents or evidences an intention to repudiate or rescind this Agreement or the Loan Documents in a manner which is materially adverse to the interests of the Lenders as a whole and, where capable of remedy, the circumstance are not remedied within 10 days of the earlier of (a) becoming aware of a failure to comply and (b) receiving a written notice of the Administrative Agent notifying it of that failure.

9.2 [Reserved].

9.3 Action in Event of Default.

(a) (x) Upon any Event of Default specified in Section 9.1(g)(i) or (ii) occurring and continuing with respect to any Borrower under the Bankruptcy Code or any other liquidation, conservatorship, bankruptcy, composition, compromise or assignment for the benefit of creditors, moratorium, rearrangement, receivership or administration, insolvency, reorganization, or similar debtor relief law of the United States from time to time in effect and affecting the rights of creditors generally, the Commitments to lend to such Borrower shall immediately terminate automatically and the Loans (with accrued interest thereon) and all other Obligations owing by such Borrower under this Agreement and the other Loan Documents (including all amounts of L/C Obligations, whether or not the beneficiaries of the then outstanding Letters of Credit shall have presented the documents required thereunder) shall automatically immediately become due and payable (provided that the occurrence of such event in relation to such Borrower shall not, except to the extent provided in this clause (x), result in any Loan being accelerated without a notice having been given pursuant to clause (y) below to the Borrowers (including, for the avoidance of doubt, any other Loan Party)), and (y) if any other Event of Default (other than under Section 9.1(g)(i) or (ii) in respect of a Borrower as set out in clause (x) above) occurs and is continuing, subject to Section 9.3(b) and (c), either or both of the following actions may be taken: (i) with the consent of the Required Lenders, the Administrative Agent may, or upon the request of the Required Lenders, the Administrative Agent shall, by notice to the Borrowers declare the Revolving Commitments to be terminated forthwith, whereupon the Revolving Commitments shall immediately terminate; and/or (ii) with the consent of the Required Lenders, the Administrative Agent may, or upon the request of the Required Lenders, the Administrative Agent shall, by notice to the Borrowers, declare the Loans (with accrued interest thereon) and all other Obligations owing under this Agreement and the other Loan Documents (including all amounts of L/C Obligations, whether or not the beneficiaries of the then outstanding Letters of Credit shall have presented the documents required thereunder) to be due and payable forthwith, whereupon the same shall immediately become due and payable. In furtherance of the foregoing, the Administrative Agent may, or upon the request of the Required Lenders the Administrative Agent shall, exercise any and all other remedies available under the Loan Documents at law or in equity, including commencing and prosecuting any suits, actions or proceedings at law or in equity in any court of competent jurisdiction and collecting the Collateral or any portion thereof and enforcing any other right in respect of any Collateral.

(b) Upon the occurrence of an Event of Default under Section 9.1(d) (a “Financial Covenant Event of Default”) that is uncured or unwaived, the Majority Revolving Lenders may, so long as a Financial Compliance Date continues to be in effect, either (x) terminate the Revolving Commitments and/or (y) take the actions specified in Section 9.3(a) and (c) in respect of the Revolving Commitments, the Revolving Loans, Letters of Credit and any Swingline Loans.
In respect of a Financial Covenant Event of Default that is continuing, the Required Lenders may take the actions specified in Section 9.3(a) on the date that the Majority Revolving Lenders terminate the Revolving Commitments and accelerate all Obligations in respect of the Revolving Commitments; provided, however, that the Required Lenders may not take such actions if either (i) the Revolving Loans have been repaid in full (other than contingent indemnification and reimbursement obligations for which no claim has been made) and the Revolving Commitments have been terminated or (ii) the Financial Covenant Event of Default has been waived by the Majority Revolving Lenders.

With respect to all Letters of Credit with respect to which presentment for honor shall not have occurred at the time of an acceleration pursuant to this paragraph, the Borrowers shall at such time deposit in a Cash Collateral Account opened by the Administrative Agent an amount equal to the aggregate then undrawn and unexpired amount of such Letters of Credit. Amounts held in such Cash Collateral Account shall be applied by the Administrative Agent to the payment of drafts drawn under such Letters of Credit, and the unused portion thereof after all such Letters of Credit shall have expired or been fully drawn upon, if any, shall be applied to repay other Obligations of the Borrowers hereunder and under the other Loan Documents. After all such Letters of Credit shall have expired or been fully drawn upon and all amounts drawn thereunder have been reimbursed in full and all other Obligations of the Borrowers hereunder and under the other Loan Documents shall have been paid in full (other than contingent indemnification and reimbursement obligations for which no claim has been made), the balance, if any, in such Cash Collateral Account shall be returned to the Borrowers (or such other Person as may be lawfully entitled thereto). Except as expressly provided above in this Section 9.3, presentment, demand, protest and all other notices of any kind are hereby expressly waived by the Borrowers.

9.4 Right to Cure.

(a) Notwithstanding anything to the contrary contained in Section 9, in the event that UK Holdco fails (or, but for the operation of this Section 9.4, would fail) to comply with the requirements of Section 7.1, Holdings shall have the right from the date of delivery of a Notice of Intent to Cure with respect to the fiscal quarter most recently ended for which financial results have been provided under Sections 6.1(a) or (b) until 10 Business Days thereafter (the “Cure Period”), to issue Permitted Cure Securities for cash or otherwise receive cash contributions to the equity capital of Holdings, and, in each case, to contribute any such cash to the equity capital of UK Holdco (collectively, the “Cure Right”), and upon the receipt by UK Holdco of such cash (the “Cure Amount”) pursuant to the exercise by Holdings of such Cure Right, the First Lien Net Leverage Ratio shall be recalculated by increasing Consolidated EBITDA (solely for purposes of compliance with Section 7.1 and determining whether an Event of Default is continuing for purposes of clause (y) of the definition of Applicable Margin) on a Pro Forma Basis solely for the purpose of measuring the First Lien Net Leverage Ratio and not for any other purpose under this Agreement, by an amount equal to the Cure Amount.

(b) If, after giving effect to the foregoing recalculations, UK Holdco shall then be in compliance with the requirements of Section 7.1, then UK Holdco shall be deemed to have satisfied the requirements of Section 7.1 as of the relevant date of determination with the same effect as though there had been no failure to comply therewith at such date, and the applicable breach or default of Section 7.1 that had occurred shall be deemed not to have occurred for the purposes of this Agreement.
To the extent a fiscal quarter ended for which the First Lien Net Leverage Ratio was initially recalculated as a result of a Cure Right and such fiscal quarter is included in the calculation of the First Lien Net Leverage Ratio in a subsequent fiscal quarter, the Cure Amount shall be included in Consolidated EBITDA of such initial fiscal quarter.

Notwithstanding anything herein to the contrary, (i) in each four-fiscal-quarter period there shall be at least two fiscal quarters in which the Cure Right is not exercised, (ii) for purposes of this Section 9.4, the Cure Amount shall be no greater than the amount required for purposes of complying with the First Lien Net Leverage Ratio, determined at the time the Cure Right is exercised with respect to the fiscal quarter ended for which the First Lien Net Leverage Ratio was initially recalculated as a result of a Cure Right, (iii) the Cure Amount shall be disregarded for all other purposes of this Agreement, including, determining any baskets with respect to the covenants contained in Section 7, and shall not result in any adjustment to any amounts other than the amount of Consolidated EBITDA as described in clause (a) above, (iv) there shall be no pro forma reduction in Indebtedness with the proceeds of any Cure Amount for the fiscal quarter immediately preceding the fiscal quarter in which the Cure Right is exercised for purposes of determining compliance with Section 7.1 except to the extent the Cure Amount is actually applied to repay Indebtedness and (v) Holdings shall not exercise the Cure Right in excess of five instances over the term of this Agreement.

Application of Proceeds. If an Event of Default shall have occurred and be continuing, the Administrative Agent may apply, at such time or times as the Administrative Agent may elect, all or any part of proceeds constituting Collateral in payment of the Obligations (and in the event the Loans and other Obligations are accelerated pursuant to Section 9.3, the Administrative Agent shall, from time to time, apply the proceeds constituting Collateral in payment of the Obligations) in the following order:

First, to the payment of all costs and expenses of any sale, collection or other realization on the Collateral, including reimbursement for all costs, expenses, liabilities and advances made or incurred by the Administrative Agent in connection therewith (including all reasonable costs and expenses of every kind incurred in connection any action taken pursuant to any Loan Document or incidental to the care or safekeeping of any of the Collateral or in any way relating to the Collateral or the rights of the Administrative Agent and the other Secured Parties hereunder, reasonable attorneys’ fees and disbursements and any other amount required by any provision of law (including Section 9-615(a)(3) of the Uniform Commercial Code) or any equivalent law in any foreign jurisdiction), and all amounts for which Administrative Agent is entitled to indemnification hereunder and under the other Loan Documents and all advances made by the Administrative Agent hereunder and thereunder for the account of any Loan Party (excluding principal and interest in respect of any Loans extended to such Loan Party), and to the payment of all costs and expenses paid or incurred by the Administrative Agent in connection with the exercise of any right or remedy hereunder or under this Agreement or any other Loan Document and to the payment or reimbursement of all indemnification obligations, fees, costs and expenses owing to the Administrative Agent hereunder or under this Agreement or any other Loan Document, all in accordance with the terms hereof or thereof;

Second, for application by it pro rata to (i) repay the Swingline Lender for any then outstanding Swingline Loans to the extent Revolving Lenders have not funded their obligations to acquire participations therein, (ii) cure any Funding Default that has occurred and is continuing at such time and (iii) repay the Issuing Lenders for any amounts not paid by L/C Participants pursuant to Section 3.4.
(c) Third, for application by it towards all other Obligations (including, without duplication, Guarantor Obligations), pro rata among the Secured Parties according to the amounts of the Obligations then held by the Secured Parties (including all Obligations arising under Specified Cash Management Agreements, Specified Swap Agreements and including obligations to provide cash collateral with respect to Letters of Credit); and

(d) Fourth, any balance of such Proceeds remaining after all of the Obligations shall have been satisfied by payment in full in immediately available funds (or in the case of Letters of Credit, terminated or Collateralized) and the Commitments shall have been terminated, be paid over to or upon the order of the applicable Loan Party or to whosoever may be lawfully entitled to receive the same or as a court of competent jurisdiction may direct.

9.6 Clean-Up Period.

(a) Notwithstanding anything to the contrary set forth herein or in any other Loan Document, during the Clean-Up Period, the occurrence of any breach of a representation, covenant or an Event of Default (other than an Event of Default set out in Section 9.1(a)) will be deemed not to be a breach of a representation or warranty or a breach of a covenant or an Event of Default, as the case may be, if it would have been (if it were not for this provision) a breach of representation or warranty or a breach of a covenant or an Event of Default only by reason of circumstances relating exclusively to, with respect to any Permitted Acquisition or other Permitted Clean-Up Investment (or the subsidiaries of such target), the target of such Permitted Acquisition or Permitted Clean-Up Investment, and provided that such breach or Event of Default:

(i) is capable of being remedied within the Clean-Up Period and the Loan Parties are taking appropriate steps to remedy such breach or Event of Default;

(ii) does not have and is not reasonably likely to have a Material Adverse Effect; and

(iii) was not procured by or approved by Holdings or the Borrowers.

(b) Notwithstanding Section 9.6(a), if the relevant circumstances are continuing on or after the expiry of the Clean-Up Period, there shall be a breach of representation or warranty, breach of covenant or Event of Default, as the case may be, notwithstanding the above (and without prejudice to the rights and remedies of the Agents and the Lenders).

(c) For the avoidance of doubt, if any breach of representation or warranty, breach of covenant or Event of Default shall be deemed to not exist due to Section 9.6(a) during the Clean-Up Period, then such breach of representation or warranty, breach of covenant or Event of Default shall be deemed not to exist for purposes of Section 5.2 for so long as (but in no event later than the end of the Clean-Up Period) such breach of representation or warranty, breach of covenant or Event of Default shall be deemed not to exist due to the provisions of Section 9.6(a).
SECTION 10.
ADMINISTRATIVE AGENT

10.1 Appointment and Authority.

(a) Administrative Agent. Each of the Lenders and the Issuing Lenders hereby irrevocably appoints Bank of America, N.A. to act on its behalf as the Administrative Agent hereunder and under the other Loan Documents and authorizes the Administrative Agent to take such actions on its behalf and to exercise such powers as are delegated to the Administrative Agent by the terms hereof or thereof, together with such actions and powers as are reasonably incidental thereto. The provisions of this Section 10 are solely for the benefit of the Administrative Agent, the Joint Bookrunners, the Joint Lead Arrangers, the Incremental Facility Arrangers, the Lenders and the Issuing Lenders, and, except to the extent that any Group Member has any express rights under this Section 10, no Group Member shall have rights as a third party beneficiary of any of such provisions. Each Joint Lead Arranger and, Joint Bookrunner and Incremental Facility Arranger shall be an intended third party beneficiary of the provisions set forth in this Agreement that are applicable thereto. It is understood and agreed that the use of the term “agent” herein or in any other Loan Documents (or any other similar term) with reference to the Administrative Agent is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any applicable Law. Instead such term is used as a matter of market custom, and is intended to create or reflect only an administrative relationship between contracting parties.

(b) Collateral Agent. The Administrative Agent shall also act as the “collateral agent” under the Loan Documents, and each of the Lenders (including in its capacities as a potential Qualified Counterparty and a potential Cash Management Provider) and the Issuing Lenders hereby irrevocably appoints and authorizes the Administrative Agent to act as the agent of such Lender and the Issuing Lenders (with the full power to appoint and to substitute and to delegate) on its behalf, or in its own name as joint and several creditor or creditor of a parallel debt (as the case may be) for purposes of acquiring, holding and enforcing any and all Liens on Collateral granted by any of the Loan Parties to secure any of the Obligations, together with such powers and discretion as are reasonably incidental thereto. In this connection, the Administrative Agent, as “collateral agent” and any co-agents, sub-agents and attorneys-in-fact appointed by the Administrative Agent pursuant to Section 10.5 for purposes of holding or enforcing any Lien on the Collateral (or any portion thereof) granted under the Security Documents, or for exercising any rights and remedies thereunder at the direction of the Administrative Agent, shall be entitled to the benefits of all provisions of this Section 10 and Section 11, as though such co-agents, sub-agents and attorneys-in-fact were the “collateral agent” under the Loan Documents as if set forth in full herein with respect thereto. Without limiting the generality of the foregoing, the Lenders hereby expressly authorize the Administrative Agent on its behalf and/or in its own name (including under any parallel debt) to execute any and all documents (including releases) with respect to the Collateral and the rights of the Secured Parties with respect thereto, as contemplated by and in accordance with the provisions of this Agreement and the Security Documents and acknowledge and agree that any such action by any Agent shall bind the Lenders. Each Lender agrees that it shall not take or institute any actions or proceedings, judicial or otherwise, for any right or remedy with respect to any Collateral against any Borrower or any other Loan Party or any other obligor under any of the Loan Documents, Specified Swap Agreements or any Specified Cash Management Agreement (including, in each case, the exercise of any right of setoff, rights on account of any banker’s lien or similar claim or other rights of self-help), or institute any actions or proceedings, or otherwise commence any remedial procedures, with respect to any Collateral of any Borrower or any other Loan Party, without the prior written consent of the Administrative Agent. In the event of a foreclosure by the Administrative Agent on any of the Collateral pursuant to a public or private sale or a sale of any of the Collateral pursuant to Section 363 of the Bankruptcy Code (or an equivalent process in any foreign jurisdiction), the Administrative Agent or any Lender may be the purchaser of any or all of such Collateral at any such sale and the Administrative Agent, as agent for and representative of the Lenders (but not any Lender or Lenders in its or their respective individual capacities unless the Required Lenders shall otherwise agree in writing) shall be entitled, with the consent or at the direction of the Required Lenders, for the purpose of bidding and making settlement or payment of the purchase price for all or any portion of the Collateral sold at any such sale, to use and apply any of the Obligations as a credit on account of the purchase price for any Collateral payable by the Administrative Agent at such sale.
(c) **German Collateral.** In relation to any Collateral created under Security Documents governed by German law (the “German Collateral”) the appointment pursuant to paragraph (b) above includes the appointment as trustee (Treuhand) under German law and administrator for the purpose of accepting and administering the German Collateral for the benefit and account of the other Secured Parties and the Administrative Agent hereby accepts such appointment. The Administrative Agent shall, with respect to any security interest created under any Collateral Documents, or any other Collateral, which in each case is subject to German law, hold, administer and, as the case may be, release and (subject to it having become enforceable) realize in its own name as trustee (treuhänderisch) for the benefit and account of the Secured Parties, and not as trustee on behalf of any other party.

(d) **Spanish Collateral.** In relation to any Collateral created under Security Documents governed by Spanish law, each of the Lenders hereby undertake, upon request by the Administrative Agent, to grant a power of attorney in its favor to exercise the powers contained in this Section 10.1, which shall be notarized and legalized by affixing an apostille pursuant to The Hague Convention of 1961.

10.2 Rights as a Lender. The Person serving as the Administrative Agent hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not the Administrative Agent and the term “Lender” or “Lenders” shall, unless otherwise expressly indicated or unless the context otherwise requires, include the Person serving as the Administrative Agent hereunder in its individual capacity. Such Person and its Affiliates may accept deposits from, lend money to, own securities of, act as the financial advisor or in any other advisory capacity for and generally engage in any kind of business with Holdings, UK Holdco, the Borrowers or any of their respective Subsidiaries or other Affiliate thereof as if such Person were not the Administrative Agent hereunder and without any duty to account therefor to the Lenders.

10.3 Exculpatory Provisions. The Administrative Agent or the Joint Lead Arrangers or the Incremental Arrangers, as applicable, shall not have any duties or obligations except those expressly set forth herein and in the other Loan Documents, and the Administrative Agent’s duties hereunder shall be administrative in nature. Without limiting the generality of the foregoing, the Administrative Agent or the Joint Lead Arrangers or the Incremental Arrangers, as applicable:

   (a) shall not be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing;
(b) shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby or by the other Loan Documents that the Administrative Agent is required to exercise as directed in writing by the Required Lenders (or such other number or percentage of the Lenders as shall be expressly provided for herein or in the other Loan Documents), provided that the Administrative Agent shall not be required to take any action that, in its opinion or the opinion of its counsel, may expose the Administrative Agent to liability or that is contrary to any Loan Document or applicable Law, including for the avoidance of doubt any action that may be in violation of the automatic stay under any Debtor Relief Law or that may effect a forfeiture, modification or termination of property of a Defaulting Lender in violation of any Debtor Relief Law;

(c) shall not have any duty or responsibility to disclose, and shall not be liable for the failure to disclose, any credit or other information concerning the business, prospects, operations, property, financial and other condition or creditworthiness of or otherwise relating to any of the Loan Parties or any of their Affiliates that is communicated to or obtained by or in possession of the Administrative Agent, the Joint Lead Arrangers, the Incremental Arrangers or any of their Related Parties in any capacity, except for notices, reports and other documents expressly required to be furnished to the Lenders by the Administrative Agent herein;

(d) shall not be liable for any action taken or not taken by it (i) with the consent or at the request of the Required Lenders (or such other number or percentage of the Lenders as shall be necessary, under the circumstances as provided in Section 11.1 and Section 9.3) or (ii) in the absence of its own gross negligence or willful misconduct, as determined by a court of competent jurisdiction by a final and nonappealable judgment. The Administrative Agent shall be deemed not to have knowledge of any Default unless and until written notice describing such Default is given to the Administrative Agent by a Borrower, a Lender or the applicable Issuing Lender;

(e) shall not be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with this Agreement or any other Loan Document, (ii) the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or therein or the occurrence of any Default, (iv) the validity, enforceability, effectiveness or genuineness of this Agreement, any other Loan Document or any other agreement, instrument or document, or the creation, perfection or priority of any Lien purported to be created by the Security Documents, (v) the value or the sufficiency of any Collateral, or (vi) the satisfaction of any condition set forth in Section 5 or elsewhere herein, other than to confirm receipt of items expressly required to be delivered to the Administrative Agent;

(f) shall not be responsible or have any liability for, or have any duty to ascertain, inquire into, monitor or enforce, compliance with the provisions hereof relating to Disqualified Lenders or Affiliated Lenders. Without limiting the generality of the foregoing, the Administrative Agent shall not (x) be obligated to ascertain, monitor or inquire as to whether any Lender or Participant or prospective Lender or Participant is a Disqualified Lender, (y) have any liability with respect to or arising out of any assignment or participation of Loans, or disclosure of confidential information, to any Disqualified Lender or (z) be obligated to ascertain, monitor or enforce any limitations in connection with any assignment to Debt Fund Affiliates and Affiliated Lenders or have any liability with respect thereto or any matter arising thereof;
(g) shall not be responsible for or have a duty to ascertain or inquire into any representation or warranty regarding the existence, value or collectability of the Collateral, the existence, priority or perfection of the Administrative or the Collateral Agent’s Lien thereon, or any certificate prepared by any Loan Party in connection therewith, nor shall the Administrative Agent or the Collateral Agent be responsible or liable to the Lenders or any Issuing Lender for any failure to monitor or maintain any portion of the Collateral.

10.4 Reliance by Administrative Agent. The Administrative Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing (including any electronic message, Internet or intranet website posting or other distribution) believed by it to be genuine and to have been signed, sent or otherwise authenticated by the proper Person. The Administrative Agent also may rely upon any statement made to it orally or by telephone and believed by it to have been made by the proper Person, and shall not incur any liability for relying thereon. In determining compliance with any condition hereunder to the making of a Loan, or the issuance, extension, renewal or increase of a Letter of Credit, that by its terms must be fulfilled to the satisfaction of a Lender or the applicable Issuing Lender, the Administrative Agent may presume that such condition is satisfactory to such Lender or such Issuing Lender unless the Administrative Agent shall have received written notice to the contrary from such Lender or such Issuing Lender prior to the making of such Loan or the issuance such Letter of Credit. The Administrative Agent may consult with legal counsel (who may be counsel for the Borrowers), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts. The Administrative Agent shall be fully justified in failing or refusing to take any action under this Agreement or any other Loan Document unless it shall first receive such advice or concurrence of the Required Lenders (or such other number or percentage of Lenders as shall be provided for herein or in the other Loan Documents) as it deems appropriate or it shall first be indemnified to its satisfaction by the Lenders against any and all liability and expense that may be incurred by it by reason of taking or continuing to take any such action. The Administrative Agent shall in all cases be fully protected in acting, or in refraining from acting, under this Agreement and the other Loan Documents in accordance with a request of the Required Lenders (or such other number or percentage of Lenders as shall be provided for herein or in the other Loan Documents), and such request and any action taken or failure to act pursuant thereto shall be binding upon the Lenders and all future holders of the Loans.

10.5 Delegation of Duties. The Administrative Agent may perform any and all of its duties and exercise its rights and powers hereunder or under any other Loan Document by or through any one or more sub-agents appointed by the Administrative Agent. The Administrative Agent and any such sub-agent may perform any and all of its duties and exercise its rights and powers by or through their respective Related Parties. The exculpatory provisions of this Section 10 shall apply to any such sub-agent and to the Related Parties of the Administrative Agent and any such sub-agent, and shall apply to their respective activities in connection with the syndication of the credit facilities provided for herein as well as activities as Administrative Agent. The Administrative Agent shall not be responsible for the negligence or misconduct of any sub-agents except to the extent that a court of competent jurisdiction determines in a final and nonappealable decision that the Administrative Agent acted with gross negligence, bad faith or willful misconduct in the selection of such sub-agents.
10.6 Resignation and Removal of Administrative Agent.

(a) The Administrative Agent may at any time give notice of its resignation to the Lenders, the Issuing Lenders and the Borrowers. Upon receipt of any such notice of resignation, the Required Lenders shall have the right, subject to the approval of the Borrower Representative, not to be unreasonably withheld, for so long as no Specified Event of Default has occurred and is continuing, to appoint a successor, which shall be a bank with an office in the United States, or an Affiliate of any such bank with an office in the United States. If no such successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within 30 days after the retiring Administrative Agent gives notice of its resignation (or such earlier day as shall be agreed by the Required Lenders) (the “Resignation Effective Date”), then the retiring Administrative Agent may (but shall not be obligated to) on behalf of the Lenders and the Issuing Lenders, in consultation with the Borrower Representative, appoint a successor Administrative Agent meeting the qualifications set forth above; provided that in no event shall any such successor Administrative Agent be a Defaulting Lender. Whether or not a successor has been appointed, such resignation shall become effective in accordance with such notice on the Resignation Effective Date.

(b) If the Person serving as Administrative Agent is a Defaulting Lender pursuant to clause (e) of the definition thereof, the Required Lenders may, to the extent permitted by applicable Law, by notice in writing to the Borrowers and such Person remove such Person as Administrative Agent and, subject to the approval of the Borrower Representative, not to be unreasonably withheld, for so long as no Specified Event of Default has occurred and is continuing, appoint a successor. If no such successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within 30 days (or such earlier day as shall be agreed by the Required Lenders) (the “Removal Effective Date”), then such removal shall nonetheless become effective in accordance with such notice on the Removal Effective Date.

(c) With effect from the Resignation Effective Date or the Removal Effective Date (as applicable) (1) the retiring or removed Administrative Agent shall be discharged from its duties and obligations hereunder and under the other Loan Documents (except that in the case of any collateral security held by the Administrative Agent or the Collateral Agent on behalf of the Lenders or the Issuing Lenders under any of the Loan Documents, the retiring or removed Administrative Agent shall continue to hold such collateral security until such time as a successor Administrative Agent is appointed) and (2) except for any indemnity payments or other amounts then owed to the retiring or removed Administrative Agent, all payments, communications and determinations provided to be made by, to or through the Administrative Agent shall instead be made by or to each Lender and the Issuing Lenders directly, until such time as the Required Lenders appoint a successor Administrative Agent as provided for above. Upon the acceptance of a successor’s appointment as Administrative Agent hereunder, such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring (or removed) Administrative Agent (other than as provided in Section 2.19(f) and other than any rights to indemnity payments or other amounts owed to the retiring or removed Administrative Agent as of the Resignation Effective Date or the Removal Effective Date, as applicable), and the retiring or removed Administrative Agent shall be discharged from all of its duties and obligations hereunder or under the other Loan Documents (if not already discharged therefrom as provided above in this Section). The fees payable by the Borrowers to a successor Administrative Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Borrowers and such successor. After the retiring or removed Administrative Agent’s resignation or removal hereunder and under the other Loan Documents, the provisions of this Section 10 and Section 11.5 shall continue in effect for the benefit of such retiring or removed Administrative Agent, its sub agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them (i) while the retiring or removed Administrative Agent was acting as Administrative Agent and (ii) after such resignation or removal for as long as any of them continues to act in any capacity hereunder or under the other Loan Documents, including (a) acting as collateral agent or otherwise holding any collateral security on behalf of any of the Lenders and (b) in respect of any actions taken in connection with transferring the agency to any successor Administrative Agent.
(d) Any resignation by Bank of America, N.A., as Administrative Agent pursuant to this Section 10.6 shall also constitute its resignation as Swingline Lender. If Bank of America, N.A. resigns as a Swingline Lender, it shall retain all the rights of a Swingline Lender provided for hereunder with respect to Swingline Loans made by it and outstanding as of the effective date of such resignation. Upon the appointment by the Borrower Representative of a successor Swingline Lender hereunder (which successor shall in all cases by a Lender other than Defaulting Lender), (a) such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring Swingline Lender and (b) the retiring Swingline Lender shall be discharged from all of their respective duties and obligations hereunder or under the other Loan Documents.

10.7 Non-Reliance on Administrative Agent, the Joint Lead Arrangers, the Incremental Facility Arrangers and the Other Lenders. Each Lender and each Issuing Lender expressly acknowledges that none of the Administrative Agent nor the Joint Lead Arrangers nor the Incremental Facility Arrangers has made any representation or warranty to it, and that no act by the Administrative Agent or the Joint Lead Arrangers or the Incremental Facility Arrangers hereafter taken, including any consent to, and acceptance of, any assignment or review of the affairs of any Loan Party or any Affiliate thereof, shall be deemed to constitute any representation or warranty by the Administrative Agent or the Joint Lead Arrangers or the Incremental Facility Arrangers to any Lender or any Issuing Lender as to any matter, including whether the Administrative Agent or any Joint Lead Arranger or any Incremental Facility Arrangers has disclosed material information in its or their (or their Related Parties’) possession. Each Lender and each Issuing Lender represents that it has, independently and without reliance upon the Administrative Agent, any Joint Lead Arranger, any Incremental Facility Arranger or any other Lender or any of their Related Parties and based on such documents and information as it has deemed appropriate, made its own credit analysis of, appraisal of, and investigation into, the business, prospects, operations, property, financial and other condition and creditworthiness of the Loan Parties and their Subsidiaries, and all applicable bank or other regulatory Laws relating to the transactions contemplated hereby, and made its own decision to enter into this Agreement and to extend credit to the Borrowers hereunder. Each Lender and each Issuing Lender also acknowledges that it will, independently and without reliance upon the Administrative Agent, the Joint Lead Arrangers, the Incremental Facility Arrangers or any other Lender or any of their Related Parties and based on such documents and information as it shall from time to time deem appropriate, continue to make its own credit analysis, appraisals and decisions in taking or not taking action under or based upon this Agreement, any other Loan Document or any related agreement or any document furnished hereunder or thereunder, and to make such investigations as it deems necessary to inform itself as to the business, prospects, operations, property, financial and other condition and creditworthiness of the Loan Parties. Each Lender and each Issuing Lender represents and warrants that (i) the Loan Documents set forth the terms of a commercial lending facility and (ii) it is engaged in making, acquiring or holding commercial loans in the ordinary course and is entering into this Agreement as a Lender or Issuing Lender for the purpose of making, acquiring or holding commercial loans and providing other facilities set forth herein as may be applicable to such Lender or Issuing Lender, and not for the purpose of purchasing, acquiring or holding any other type of financial instrument, and each Lender and each Issuing Lender agrees not to assert a claim in contravention of the foregoing. Each Lender and each Issuing Lender represents and warrants that it is sophisticated with respect to decisions to make, acquire and/or hold commercial loans and to provide other facilities set forth herein, as may be applicable to such Lender or such Issuing Lender, and either it, or the Person exercising discretion in making its decision to make, acquire and/or hold such commercial loans or to provide such other facilities, is experienced in making, acquiring or holding such commercial loans or providing such other facilities.
10.8 No Other Duties, Etc. Anything herein to the contrary notwithstanding, none of the Administrative Agent, the Collateral Agent, Joint Bookrunner or Joint Lead Arrangers listed on the cover page hereof or the Incremental Facility Arrangers (each, an “Agent”) shall (a) have any powers, obligations, duties or responsibilities under this Agreement or any of the other Loan Documents, except in its capacity, as applicable, as the Administrative Agent, the Collateral Agent, a Lender or an Issuing Lender hereunder or (b) be obligated to carry out on behalf of any Lender (i) any “know your customer”, Beneficial Ownership Regulation or other checks in relation to any Person or (ii) any check on the extent to which any transaction contemplated by this Agreement might be unlawful for any Lender or Issuing Lender, and each Lender or Issuing Lender confirms to each Agent that it is solely responsible for any such checks it is required to carry out and that it may not rely on any statement in relation to such checks made by any Agent.

10.9 Administrative Agent May File Proofs of Claim; Credit Bidding.

(a) In case of the pendency of any proceeding under any Debtor Relief Law or any other judicial proceeding relative to any Loan Party, the Administrative Agent (irrespective of whether the principal of any Loan or L/C Obligation shall then be due and payable as herein expressed or by declaration or otherwise and irrespective of whether the Administrative Agent shall have made any demand on any Borrower) shall be entitled and empowered, by intervention in such proceeding or otherwise:

(i) to file and prove a claim for the whole amount of the principal and interest owing and unpaid in respect of the Loans, L/C Obligations and all other Obligations that are owing and unpaid and to file such other documents as may be necessary or advisable in order to have the claims of the Lenders, the Issuing Lenders, the Administrative Agent and the Collateral Agent (including any claim for the reasonable compensation, expenses, disbursements and advances of the Lenders, the Issuing Lenders, the Administrative Agent and the Collateral Agent and their respective agents and counsel and all other amounts due the Lenders, the Issuing Lenders and the Administrative Agent under Sections 2.8, 3.3 and 11.5) allowed in such judicial proceeding; and

(ii) to collect and receive any monies or other property payable or deliverable on any such claims and to distribute the same;

and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Lender and each Issuing Lender to make such payments to the Administrative Agent and, if the Administrative Agent shall consent to the making of such payments directly to the Lenders and the applicable Issuing Lender, to pay to the Administrative Agent any amount due for the reasonable compensation, expenses, disbursements and advances of the Administrative Agent and its agents and counsel, and any other amounts due the Administrative Agent under Sections 2.8 and 11.5.

Nothing contained herein shall be deemed to authorize the Administrative Agent to authorize or consent to or accept or adopt on behalf of any Lender or any Issuing Lender any plan of reorganization, arrangement, adjustment or composition affecting the Obligations or the rights of any Lender or any Issuing Lender to authorize the Administrative Agent to vote in respect of the claim of any Lender or any Issuing Lender or in any such proceeding.
The Secured Parties hereby irrevocably authorize the Administrative Agent, at the direction of the Required Lenders, to credit bid all or any portion of the Obligations (including accepting some or all of the Collateral in satisfaction of some or all of the Obligations pursuant to a deed in lieu of foreclosure or otherwise) and in such manner purchase (either directly or through one or more acquisition vehicles) all or any portion of the Collateral (a) at any sale thereof conducted under the provisions of the Bankruptcy Code of the United States, including under Sections 363, 1123 or 1129 of the Bankruptcy Code of the United States, or any similar Laws in any other jurisdictions to which a Loan Party is subject, (b) at any other sale or foreclosure or acceptance of collateral in lieu of debt conducted by (or with the consent or at the direction of) the Administrative Agent (whether by judicial action or otherwise) in accordance with any applicable Law. In connection with any such credit bid and purchase, the Obligations owed to the Secured Parties shall be entitled to be, and shall be, credit bid on a ratable basis (with Obligations with respect to contingent or unliquidated claims receiving contingent interests in the acquired assets on a ratable basis that would vest upon the liquidation of such claims in an amount proportional to the liquidated portion of the contingent claim amount used in allocating the contingent interests) in the asset or assets so purchased (or in the Equity Interests or debt instruments of the acquisition vehicle or vehicles that are used to consummate such purchase). In connection with any such bid (i) the Administrative Agent shall be authorized to form one or more acquisition vehicles to make a bid, (ii) to adopt documents providing for the governance of the acquisition vehicle or vehicles (provided that any actions by the Administrative Agent with respect to such acquisition vehicle or vehicles, including any disposition of the assets or Equity Interests thereof shall be governed, directly or indirectly, by the vote of the Required Lenders, irrespective of the termination of this Agreement and without giving effect to the limitations on actions by the Required Lenders contained in Section 11.1 of this Agreement), (iii) the Administrative Agent shall be authorized to assign the relevant Obligations to any such acquisition vehicle pro rata by the Lenders, as a result of which each of the Lenders shall be deemed to have received a pro rata portion of any Equity Interests and/or debt instruments issued by such an acquisition vehicle on account of the assignment of the Obligations to be credit bid, all without the need for any Secured Party or acquisition vehicle to take any further action, and (iv) to the extent that Obligations that are assigned to an acquisition vehicle are not used to acquire Collateral for any reason (as a result of another bid being higher or better, because the amount of Obligations assigned to the acquisition vehicle exceeds the amount of debt credit bid by the acquisition vehicle or otherwise), such Obligations shall automatically be reassigned to the Lenders pro rata and the Equity Interests and/or debt instruments issued by any acquisition vehicle on account of the Obligations that had been assigned to the acquisition vehicle shall automatically be cancelled, without the need for any Secured Party or any acquisition vehicle to take any further action.

(b) As regards any judicial proceeding relating to any Spanish Loan Party and for the purposes of Article 572 of the Spanish Civil procedural Law, the Parties expressly agree that:

(i) a statement as to any amount due to any Lender under this Agreement which is certified as being correct by the Administrative Agent or, failing which, by the relevant Lender shall, in the absence of manifest error or unless otherwise provided under this Agreement be prima facie evidence of the amount so due and that such amount is in fact true, net, due and payable. Such statement shall include the balance resulting from the calculation of the debt (in Spanish: liquidación) made by the Administrative Agent or the relevant Lender, as well as the extract of the credits and debits entries and those corresponding to the application of interest (if any) which determine the particular balance of the amount due;

223
(ii) the balance of the specific ledgers in relation to the Loan Documents, opened and held by the Administrative Agent or the relevant Lender in the relevant Spanish Loan Party's name, in accordance with the terms of the Spanish Civil Procedure Law 1/2000, in which ledgers all amounts owed by the Spanish Loan Party shall be debited and all amounts paid by the Spanish Loan Party shall be credited, shall be considered by the parties hereof as determining the amount of debt of the Spanish Loan Party outstanding at the time enforcement action is taken;

(iii) the Administrative Agent, failing which, the relevant Lender shall execute a notorial document (in Spanish: acta notarial) evidencing that the calculation of the debt owed by the Spanish Loan Party (in Spanish: liquidación) made has been done according to the procedure set forth in this Agreement by the Parties;

(iv) prior to commencing enforcement actions in connection with this Agreement or any Loan Document affecting a Spanish Loan Party, to the extent permitted by law, the Administrative Agent, failing which, the relevant Lender, shall deliver a copy of the relevant statement referred to in (iii) above to the relevant Spanish Loan Party through judicial or notarial means, which shall express the total amount due; and

(v) if an Event of Default is continuing each Spanish Loan Party will, at the request of the Administrative Agent, enter into one or more notarial deeds (escritura pública) in the form and substance satisfactory to the Administrative Agent and take all other actions required by the Administrative Agent to ensure that the obligations of any Spanish Loan Party under any guarantee entered by it are raised to the status of a Spanish notarial deed.

The Spanish Loan Parties expressly authorise the Administrative Agent to request and obtain certificates and documents issued by the notary that raised this Agreement to a notarial status (or his/her successor(s)) in order to evidence compliance of the Agreement with the entries of her/his registry-book and the relevant entry date for the purpose of number 4 of Article 517.2, of the Spanish Civil Procedural Law. The cost of such certificate and documents will be for the account of the Loan Parties.

The Spanish Loan Parties further authorise the Administrative Agent and each Lender to request and obtain certificates evidencing the entry of this Agreement in the Register of Transactions of the Notary authorising the same, and to obtain the approval certificate referred to in number 5 of Article 517, of the Spanish Civil Procedural Law. The cost of such certificate will be for the account of the Loan Parties.
Each of the Secured Parties and the Issuing Lenders hereby, and by their acceptance of the benefits of the Loan Documents, irrevocably authorize the Administrative Agent (without requirement of notice to or consent of any Secured Party except as expressly required by Section 11.1): (i) to release or confirm the release of any Lien on any property granted to or held by the Administrative Agent or Collateral Agent under any Loan Document (1) at the time the property subject to such Lien is Disposed of or to be Disposed of as part of or in connection with any Disposition permitted hereunder or under any other Loan Document to any Person other than a Loan Party, (2) subject to Section 11.1, if the release of such Lien is approved, authorized or ratified in writing by the Required Lenders, (3) if the property subject to such Lien is owned by a Guarantor, upon release of such Guarantor from its obligations under the Guarantee or (4) that constitutes Excluded Assets or any property that is excluded from the Collateral pursuant to the Agreed Security Principles; (ii) to release or subordinate, as expressly permitted hereunder, any Lien on any property granted to or held by the Administrative Agent or the Collateral Agent under any Loan Document to the holder of any Lien on such property that is permitted by this Agreement to the extent required by the holder of, or pursuant to the terms of any agreement governing, the obligations secured by such Liens; (iii) to release any Guarantor from its obligations under the Guarantee if such Person ceases to be a Restricted Subsidiary or becomes an Excluded Subsidiary as a result of a transaction, circumstance or designation permitted hereunder; (iv) to amend Section 8.12 to the extent permitted by Section 8.12(f) and to give effect to any limitations set forth in Section 8.12 in any Guarantor Joinder Agreement and/or Borrower Joinder applicable to any Guarantor; (v) to amend any Security Document to give effect to any limitations set forth in the Agreed Security Principles and (vi) to release any Collateral or Guarantor Obligations to the extent necessary to permit consummation of any transaction not prohibited by any Loan Document or that has been consented to in accordance with Section 11.1.

Upon request by the Administrative Agent at any time, the Required Lenders will confirm in writing the Administrative Agent’s authority to release or subordinate its interest in particular types or items of property, or to release or confirm the release of (pursuant to clause (a) above) any Guarantor from its obligations under the Guarantee.

On the Termination Date, the Collateral shall be automatically released from the Liens created by the Security Documents, and the Security Documents and all obligations (other than those expressly stated to survive such termination) of the Administrative Agent and each Group Member under the Security Documents shall automatically terminate, all without delivery of any instrument or performance of any act by any Person.

If (i) a Guarantor was released from its obligations under the Guarantee, (ii) an Additional Revolving Borrower was released from its obligations under the Loan Documents or (iii) the Collateral was released from the assignment and security interest granted under the Security Document (or the interest in such item subordinated), in each case in a manner not prohibited by this Agreement or another Loan Document, the Administrative Agent will (and each Lender irrevocably authorizes the Administrative Agent to) execute and deliver to the applicable Loan Party such documents as such Loan Party may reasonably request to evidence the release of such Guarantor from its obligations under the Guarantee or such Additional Revolving Borrower from its obligations under the Loan Documents, the release of such item of Collateral from the assignment and security interest granted under the Security Documents or to subordinate its interest in such item, in each case in accordance with the terms of the Loan Documents and this Section 10.10.
If as a result of any transaction, event or circumstance not prohibited by this Agreement (i) any Guarantor or Additional Revolving Borrower becomes an Excluded Subsidiary or (ii) any Guarantor or Additional Revolving Borrower is sold (or consolidates or merges with a Person that is not a Loan Party), then (x) such Guarantor’s Guarantee (or the obligations of such Additional Revolving Borrower under the Loan Documents) shall be automatically released, and (y) the Capital Stock of such Guarantor or Additional Revolving Borrower (other than, in the case of a Guarantor or Additional Revolving Borrower that is an Excluded Subsidiary solely by reason of being a CFC or a FSHCO, 65% of the total outstanding voting Capital Stock and 100% of the total outstanding non-voting Capital Stock of such Guarantor or such Additional Revolving Borrower that, in each case, is directly owned by a Borrower or another Guarantor) shall be automatically released from the security interests created by the Loan Documents, or (iii) Capital Stock of any Subsidiary ceases to be directly owned by a Borrower or Guarantor (or a Person then required to be a Guarantor pursuant to this Agreement or any other Loan Document), then such Capital Stock of such Subsidiary shall be automatically released from any security interests created by the Loan Documents; provided that no Loan Party will dispose of a minority interest in any Guarantor for the primary purpose of releasing the Guarantee made by such Guarantor under the Loan Documents as determined by the Borrower Representative in good faith. In connection with any termination or release pursuant to this Section 10.10(e), the Administrative Agent and any applicable Lender shall promptly execute and deliver to any Loan Party, at such Loan Party’s expense, all documents that such Loan Party shall reasonably request to evidence such termination or release. Any execution and delivery of documents pursuant to this Section 10.10(e) shall be without recourse to or warranty by the Administrative Agent or any Lender.

10.11 Intercreditor Agreements.

The Secured Parties hereby, and by their acceptance of the benefits of the Loan Documents: (a) irrevocably authorize and direct each of the Administrative Agent and the Collateral Agent, as applicable, to execute and deliver the Initial Intercreditor Agreement, (b) acknowledge that the obligations of the Borrowers and the Guarantors under any Permitted First Priority Refinancing Debt, Permitted Second Priority Refinancing Debt, Incremental Equivalent Debt and other Indebtedness permitted by Section 7.2 that is secured by Permitted Liens, and with respect to which such Indebtedness and/or Liens this Agreement contemplates an intercreditor, subordination, collateral trust or similar agreement, or that such Indebtedness shall or may be secured on a pari passu or junior basis to the Liens securing the Obligations, may be secured by Liens on assets of the Borrowers and the Guarantors that constitute Collateral and (c) irrevocably authorizes and directs each of the Administrative Agent and the Collateral Agent to execute and deliver, without any further consent, authorization or other action by such Secured Party (i) any such intercreditor, subordination, collateral trust or similar agreement (and any amendments, amendments and restatements, restatements or waivers of, or supplements or other modifications to, any such agreement or arrangement permitted under this Agreement) constituting an Acceptable Intercreditor Agreement and (ii) any documents, certificates or other instruments in connection therewith, and any such intercreditor, subordination, collateral trust or similar agreement will be binding upon the Secured Parties.

Each of the Lenders, the Issuing Lenders and the other Secured Parties hereby irrevocably (i) consents to the treatment of Liens to be provided for under the Intercreditor Agreements, (ii) agrees that, upon the execution and delivery thereof, such Secured Party will be bound by the provisions of any Intercreditor Agreement as if it were a signatory thereto and will take no actions contrary to the provisions of any Intercreditor Agreement and (iii) authorizes and directs each of the Administrative Agent and the Collateral Agent to carry out the provisions and intent of each such document.
Except as otherwise expressly set forth herein or in any Security Document, no Qualified Counterparty or Cash Management Provider that obtains the benefits of Section 9.5, any Guarantee or any Collateral by virtue of the provisions hereof or of any Guarantee or any Security Document shall have any right to notice of any action or to consent to, direct or object to any action hereunder or under any other Loan Document or otherwise in respect of the Collateral (including the release or impairment of any Collateral) other than in its capacity as a Lender and, in such case, only to the extent expressly provided in the Loan Documents. Notwithstanding any other provisions of this Section 10 to the contrary, the Administrative Agent shall not be required to verify the payment of, or that other satisfactory arrangements have been made with respect to, Obligations arising under Cash Management Agreements and Hedge Agreements unless the Administrative Agent has received written notice of such Obligations, together with such supporting documentation as the Administrative Agent may request, from the applicable Qualified Counterparty or Cash Management Provider, as the case may be.

10.12 Withholding Tax Indemnity. To the extent required by any applicable Laws, the Administrative Agent may withhold from any payment to any Lender an amount equivalent to any applicable withholding Tax. If the Internal Revenue Service or any other authority of the United States or other jurisdiction asserts a claim that the Administrative Agent did not properly withhold Tax from amounts paid to or for the account of any Lender for any reason (including because the appropriate form was not delivered or not properly executed, or because such Lender failed to notify the Administrative Agent of a change in circumstance that rendered the exemption from, or reduction of withholding Tax ineffective), such Lender shall, within 10 days after written demand therefor, indemnify and hold harmless the Administrative Agent (to the extent that the Administrative Agent has not already been reimbursed by the Borrowers or any other Loan Party pursuant to Sections 2.16 and 2.19 and without limiting or expanding the obligation of the Borrowers or any other Loan Party to do so) for all amounts paid, directly or indirectly, by the Administrative Agent as Taxes or otherwise, together with all expenses incurred, including legal expenses and any other out-of-pocket expenses, whether or not such Tax was correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to any Lender by the Administrative Agent shall be conclusive absent manifest error. Each Lender hereby authorizes the Administrative Agent to set off and apply any and all amounts at any time owing to such Lender under this Agreement or any other Loan Document against any amount due the Administrative Agent under this Section 10.12. The agreements in this Section 10.12 shall survive the resignation and/or replacement of the Administrative Agent, any assignment of rights by, or the replacement of, a Lender and the repayment, satisfaction or discharge of all other Obligations. For the avoidance of doubt, a “Lender” shall, for purposes of this Section 10.12, include any Issuing Lender and the Swingline Lender.

10.13 Indemnification. Each of the Lenders agrees to indemnify the Administrative Agent and the Joint Lead Arrangers and the Incremental Facility Arrangers (and, in each case, their Related Parties) in their respective capacities as such (to the extent not reimbursed by any Loan Party and without limiting or expanding the obligation of the Loan Parties to do so), according to its Aggregate Exposure Percentage in effect on the date on which indemnification is sought under this Section 10.13 (or, if indemnification is sought after the date upon which the Commitments shall have terminated and the Loans shall have been paid in full, in accordance with its Aggregate Exposure Percentage immediately prior to such date), from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind whatsoever that may at any time (whether before or after the payment of the Loans) be imposed on, incurred by or asserted against the Administrative Agent, the Joint Lead Arrangers, the Incremental Facility Arrangers or their Related Parties (the foregoing, the “Lender Indemnitees”) in any way relating to or arising out of, the Commitments, this Agreement, any of the other Loan Documents or any documents contemplated by or referred to herein or therein or the transactions contemplated hereby or thereby or any action taken or omitted by the Administrative Agent or any other Person under or in connection with any of the foregoing; provided that no Lender shall be liable to any Lender Indemnitee for the payment of any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements to the extent that they are found by a final and nonappealable decision of a court of competent jurisdiction to have resulted from the gross negligence, bad faith or willful misconduct of such Lender Indemnitee. The agreements in this Section 10.13 shall survive the termination of this Agreement and the payment of the Loans and all other amounts payable hereunder.
10.14 Appointment of Incremental Arrangers, Refinancing Arrangers and Loan Modification Agents. In the event that the Borrower Representative appoints or designates any Incremental Arranger, Refinancing Arranger or Loan Modification Agent pursuant to (and subject to) Sections 2.25, 2.26 and 2.28, as applicable, (i) each and every right, power, privilege or duty expressed or intended by this Agreement or any of the other Loan Documents to be exercised by or vested in or conveyed to an agent or arranger with respect to the Incremental Loans, Permitted Credit Agreement Refinancing Debt or Loan Modification Agreement, as applicable, shall be exercisable by and vest in such Incremental Arranger, Refinancing Arranger or Loan Modification Agent to the extent, and only to the extent, necessary to enable such Incremental Arranger, Refinancing Arranger or Loan Modification Agent to exercise such rights, powers and privileges with respect to the Incremental Loans, Permitted Credit Agreement Refinancing Debt or Loan Modification Agreement, as applicable, and (ii) the provisions of this Section 10 and of Section 11.5 (obligating the Borrower Representative to pay the Administrative Agent’s expenses and to indemnify the Administrative Agent) that refer to the Administrative Agent shall inure to the benefit of the Administrative Agent and such Incremental Arranger, Refinancing Arranger or Loan Modification Agent and all references therein to the Administrative Agent shall be deemed to be references to the Administrative Agent or such Incremental Arranger, Refinancing Arranger or Loan Modification Agent, as the context may require. Each Lender and Issuing Lender hereby irrevocably appoints any Incremental Arranger, Refinancing Arranger or Loan Modification Agent to act on its behalf hereunder and under the other Loan Documents pursuant to (and subject to) Sections 2.25, 2.26 and 2.28, as applicable, and designates and authorizes such Incremental Arranger, Refinancing Arranger or Loan Modification Agent to take such actions on its behalf under the provisions of this Agreement and each other Loan Document and to exercise such powers and perform such duties as are expressly delegated to such Incremental Arranger, Refinancing Arranger or Loan Modification Agent by the terms of this Agreement or any other Loan Document, together with such actions and powers as are reasonably incidental thereto.

10.15 Certain ERISA Matters. (a) Each Lender (x) represents and warrants, as of the date such Person became a Lender party hereto, to, and (y) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of the Administrative Agent and not, for the avoidance of doubt, to or for the benefit of the Borrowers or any other Loan Party, that at least one of the following is and will be true:

(i) such Lender is not using “plan assets” (within the meaning of Section 3(42) of ERISA or otherwise) of one or more Benefit Plans with respect to such Lender’s entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments or this Agreement,
(ii) the transaction exemption set forth in one or more PTEs, such as PTE 84-14 (a class exemption for certain transactions determined by independent qualified professional asset managers), PTE 95-60 (a class exemption for certain transactions involving insurance company general accounts), PTE 90-1 (a class exemption for certain transactions involving insurance company pooled separate accounts), PTE 91-38 (a class exemption for certain transactions involving bank collective investment funds) or PTE 96-23 (a class exemption for certain transactions determined by in-house asset managers), is applicable with respect to such Lender’s entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement,

(iii) (A) such Lender is an investment fund managed by a “Qualified Professional Asset Manager” (within the meaning of Part VI of PTE 84-14), (B) such Qualified Professional Asset Manager made the investment decision on behalf of such Lender to enter into, participate in, administer and perform the Loans, the Letters of Credit, the Commitments and this Agreement, (C) the entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement satisfies the requirements of sub-sections (b) through (g) of Part I of PTE 84-14 and (D) to the best knowledge of such Lender, the requirements of subsection (a) of Part I of PTE 84-14 are satisfied with respect to such Lender’s entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement, or

(iv) such other representation, warranty and covenant as may be agreed in writing between the Administrative Agent, in its sole discretion, and such Lender.

(b) In addition, unless either (1) sub-clause (i) in the immediately preceding clause (a) is true with respect to a Lender or (2) a Lender has provided another representation, warranty and covenant in accordance with sub-clause (iv) in the immediately preceding clause (a), such Lender further (x) represents and warrants, as of the date such Person became a Lender party hereto, to, and (y) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of, the Administrative Agent and not, for the avoidance of doubt, to or for the benefit of the Borrower or any other Loan Party, that the Administrative Agent is not a fiduciary with respect to the assets of such Lender involved in such Lender’s entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement (including in connection with the reservation or exercise of any rights by the Administrative Agent under this Agreement, any Loan Document or any documents related hereto or thereto).
11.1 Amendments and Waivers.

(a) Except as otherwise provided in clause (b) below or elsewhere in this Agreement, neither this Agreement nor any other Loan Document (or any terms hereof or thereof) may be amended, supplemented or modified other than in accordance with the provisions of this Section 11.1. The Required Lenders and each Loan Party party to the relevant Loan Document (or, in the case of this Agreement, the Borrower Representative) may, or, with the written consent of the Required Lenders, the Administrative Agent and each Loan Party party to the relevant Loan Document (or, in the case of this Agreement, the Borrower Representative) may, from time to time, (i) enter into written amendments, supplements or modifications hereto and to the other Loan Documents for the purpose of adding any provisions to this Agreement or the other Loan Documents or changing in any manner the rights of the Lenders or of the Loan Parties hereunder or thereunder or (ii) waive, on such terms and conditions as the Required Lenders or the Administrative Agent, as the case may be, may specify in such instrument, any of the requirements of this Agreement or the other Loan Documents or any Default or Event of Default and its consequences; provided, however, that no such waiver and no such amendment, supplement or modification shall (A) forgive the principal amount or extend the final scheduled date of maturity of any Loan, extend the scheduled date of any amortization payment in respect of any Term Loan, reduce the stated rate of any interest or fee payable hereunder (except (x) in connection with the waiver of applicability of any post-default increase in interest rates (which waiver shall be effective with the consent of the Required Lenders), (y) any amendment or modification of defined terms used in the financial covenants in this Agreement shall not constitute a reduction in the rate of interest or fees for purposes of this clause (A) and (z) in connection with the waiver of the MFN Provision (which waiver shall be effective with the consent of the Required Lenders)) or extend the scheduled date of any payment thereof, or increase the amount or extend the expiration date of any Lender’s Commitment or increase such Lender’s Commitment, in each case without the written consent of each Lender directly and adversely affected thereby; (B) amend, modify, eliminate or reduce the voting rights of any Lender under this Section 11.1 without the written consent of all Lenders; (C) (x) reduce any percentage specified in the definition of Required Lenders, (y) consent to the assignment or transfer by any Borrower of any of its rights and obligations under this Agreement and the other Loan Documents and (z) release all or substantially all of the Collateral or release all or substantially all of the value of the Guarantees under Section 8 of this Agreement or under any Security Agreement, in each case other than as permitted under this Agreement and the Loan Documents, without the written consent of all Lenders; (D) amend, modify or waive any provision of Section 2.17(a) or (b) which results in a change to the pro rata application of Loans under any Facility without the written consent of each Lender directly and adversely affected thereby in respect of each Facility adversely affected thereby, unless the amendment is made in connection with an amendment pursuant to paragraph (b) below, in which case the written consent of the Required Lenders shall be required; (E) reduce the percentage specified in the definition of any of Majority Revolving Lenders or Majority Term Lenders without the written consent of all Lenders under such Facility; (F) [reserved]; (G) amend, modify or waive any provision of Sections 2.6 or 2.7 without the written consent of the Swingline Lender; (H) amend or modify the application of prepayments set forth in Section 2.11(g) in a manner that adversely affects any Facility without the written consent of the Majority Facility Lenders of each adversely affected Facility; (I) forgive the principal amount or extend the payment date of any Reimbursement Obligation without the written consent of each Lender directly and adversely affected thereby; or (J) change the currency in which any Loan is denominated without the written consent of each Lender holding such Loan; and provided further that no amendment, waiver or consent shall, unless in writing and signed by the Administrative Agent in addition to the Lenders required above, amend, waive or modify Section 10 in a manner that adversely affects the rights or duties of the Administrative Agent under this Agreement; and provided further that no amendment, waiver or consent shall, unless in writing and signed by the applicable Issuing Lender in addition to the Lenders required above, adversely affect its rights or duties under this Agreement or under any Application or other document, agreement or instrument entered into by such Issuing Lender and a Borrower (or any Restricted Subsidiary) pertaining to one or more Letters of Credit issued or to be issued by such Issuing Lender hereunder (except that this Agreement may be amended (A) to adjust the mechanics related to the issuance of Letters of Credit, including mechanical changes relating to the existence of multiple Issuing Lenders, with only the written consent of the Administrative Agent, the applicable Issuing Lender and the Borrower Representative if the obligations of the Revolving Lenders, if any, who have not executed such amendment, and if applicable the other Issuing Lenders, if any, who have not executed such amendment, are not adversely affected thereby and (B) to adjust the L/C Sublimits of one or more Issuing Lenders after consultation with the Administrative Agent and any affected Issuing Lenders in a manner which does not result in the aggregate L/C Sublimits exceeding the L/C Commitment with only the written consent (with a copy to the Administrative Agent and any affected Issuing Lenders) of the Borrower Representative or those Issuing Lenders whose L/C Sublimits may be increased). Any such waiver and any such amendment, supplement or modification shall apply equally to each of the Lenders and shall be binding upon the Loan Parties, the Lenders, the Administrative Agent and all future holders of the Loans. In the case of any waiver, the Loan Parties, the Lenders and the Administrative Agent shall be restored to their former position and rights hereunder and under the other Loan Documents, and any Default or Event of Default waived shall be deemed to be cured and not continuing during the period such waiver is effective; but no such waiver shall, unless it expressly so permits, extend to any subsequent or other Default or Event of Default, or impair any right consequent thereon.
(b) Notwithstanding anything in this Agreement (including clause (a) above) or any other Loan Document to the contrary:

(i) this Agreement may be amended (or amended and restated) with the written consent of the Administrative Agent, the Issuing Lenders (to the extent affected), each Lender participating in the additional or extended credit facilities contemplated under this paragraph (b)(i) and the Borrower Representative (w) to add one or more additional credit facilities to this Agreement or to increase the amount of the existing facilities under this Agreement and to permit the extensions of credit from time to time outstanding thereunder and the accrued interest and fees in respect thereof to share ratably in the benefits of this Agreement and the other Loan Documents with the Term Loans and Revolving Extensions of Credit and the accrued interest and fees in respect thereof, (x) to permit any such additional credit facility which is a term loan facility or any such increase in the Term Facility to share in prepayments with the Term Loans, (y) to permit any such additional credit facility which is a revolving loan facility or any such increase in the Revolving Facility to share ratably in prepayments with the Revolving Facility and (z) to include appropriately the Lenders holding such credit facilities in any determination of the Required Lenders and Majority Facility Lenders;

(ii) this Agreement may be amended with the written consent of the Administrative Agent, the Borrower Representative and the Lenders providing the relevant Repriced Term Loans (as defined below) to permit a (x) any prepayment, repayment, refinancing, substitution or replacement of all or a portion of the Term Loans with the proceeds of, or any conversion of Term Loans into, any new or replacement tranche of syndicated term loans bearing interest with an Effective Yield less than the Effective Yield applicable to the Term Loans and (y) any amendment to the Term Loans or any tranche thereof which reduces the Effective Yield applicable to such Term Loans, as applicable ("Repriced Term Loans"); provided that the Repriced Term Loans shall otherwise meet the Applicable Requirements;
(iii) this Agreement may be amended with the written consent of the Administrative Agent, the Borrower Representative and the Lenders providing the relevant Repricing Indebtedness to permit any Repricing Transaction;

(iv) this Agreement and the other Loan Documents may be amended or amended and restated as contemplated by Section 2.25 in connection with any Incremental Amendment and any related increase in Commitments or Loans, with the consent of the Borrower Representative, the Administrative Agent and the Incremental Lenders providing such increased Commitments or Loans (provided that, if any Incremental Term Loans are intended to have rights to share in the Collateral on a second lien basis to the Obligations, then the Administrative Agent may enter into an Acceptable Intercreditor Agreement (or amend, supplement or modify an Acceptable Intercreditor Agreement) as may be necessary or appropriate, in the reasonable opinion of the Administrative Agent, to effect the terms of any such Incremental Term Loans);

(v) this Agreement and the other Loan Documents may be amended as a Refinancing Amendment in connection with the incurrence of any Permitted Credit Agreement Refinancing Debt pursuant to Section 2.26 to the extent (but only to the extent) necessary to reflect the existence and terms of such Permitted Credit Agreement Refinancing Debt (including any amendments necessary to treat the Loans and Commitments subject thereto as Other Term Loans, Other Revolving Loans, Other Revolving Commitments and/or Other Term Commitments) (provided that the Administrative Agent and the Borrower Representative may effect such amendments to this Agreement, any Acceptable Intercreditor Agreement (or enter into a replacement thereof) and the other Loan Documents as may be necessary or appropriate, in the reasonable opinion of the Administrative Agent and the Borrower Representative, to effect the terms of such Refinancing Amendment);
(vi) this Agreement and the other Loan Documents may be amended in connection with any Permitted Amendment pursuant to a Loan Modification Offer in accordance with Section 2.28(b) (and the Administrative Agent and the Borrower Representative may effect such amendments to this Agreement, any Intercreditor Agreement (or enter into a replacement thereof) and the other Loan Documents as may be necessary or appropriate, in the reasonable opinion of the Administrative Agent and the Borrower Representative, to effect the terms of such Permitted Amendment);

(vii) the Administrative Agent may enter into or amend any Acceptable Intercreditor Agreement or any other intercreditor agreement (or enter into a replacement thereof), additional Security Documents and/or replacement Security Documents (including a collateral trust agreement) in connection with the incurrence of (x) any Permitted First Priority Refinancing Debt to provide that a Senior Representative acting on behalf of the holders of such Indebtedness shall become a party thereto and shall have rights to share in the Collateral on a pari passu basis (but without regard to the control of remedies) with the Obligations, (y) any Permitted Second Priority Refinancing Debt to provide that a Senior Representative acting on behalf of the holders of such Indebtedness shall become a party thereto and shall have rights to share in the Collateral on a second lien basis to the Obligations and the obligations in respect of any Permitted First Priority Refinancing Debt or (z) any Indebtedness described in Section 10.11 to provide that an agent, trustee or other representative acting on behalf of the holders of such Indebtedness shall become a party thereto and shall have rights to share in the Collateral on the basis contemplated by this Agreement;

(viii) only the consent of the Majority Revolving Lenders shall be necessary to amend, modify or waive Sections 5.2 (with respect to the making of Revolving Loans or Swingline Loans or the issuance of Letters of Credit), 7.1, 9.1(d), 9.3(b) and 9.4; it being understood and agreed that any Default or Event of Default resulting from the inaccuracy of any representation or warranty made in connection with the making of Revolving Loans or Swingline Loans or the issuance of Letters of Credit may be waived with the consent of only the Majority Revolving Lenders;
amendments and waivers of this Agreement and the other Loan Documents that affect solely the Lenders under any applicable Class under the Term Facility, Revolving Facility or any Incremental Facility (including waiver or modification of conditions to extensions of credit under the Term Facility, Revolving Facility or any Incremental Facility, the availability and conditions to funding of any Incremental Facility, pricing and other modifications, and in respect of the Revolving Facility, the obligations of Holdings contained in Section 7.1 (or the definition of First Lien Net Leverage Ratio for purposes thereof)) will require only the consent of Lenders holding more than 50% of the aggregate commitments or loans, as applicable, under such Class, and, in each case, (x) no other consents or approvals shall be required and (y) any fees or other consideration payable to obtain such amendments or waivers need only be offered on a pro rata basis to the Lenders under the affected Class;

this Agreement and the other Loan Documents may be amended with the consent of the Administrative Agent and the Borrower Representative (A) (1) to the extent permitted by Section 8.12(f) or to give effect to any limitations set forth in the Agreed Security Principles and (2) to add, amend, remove or otherwise modify, in connection with the designation or appointment of any Borrower hereunder after the Closing Date organized under the laws of any Applicable Jurisdiction other than the United States, England & Wales and Luxembourg, the provisions hereof and thereof that relate to Taxes, foreign guarantee and collateral matters (including guarantee limitations and “parallel debt”) and any other provisions that pertain specifically to the laws of any such jurisdiction or as are reasonably necessary in connection with such designation or appointment and upon the advice of counsel, (B) to correct any mistakes or ambiguities of a technical nature (or to conform any other Loan Document to be consistent with the requirements of the Credit Agreement), (C) to add any terms or conditions for the benefit of Lenders (or any Class thereof) and (D) as contemplated by Sections 1.6, 1.8, 2.16(b), 7.10, 10.10, 10.11, the definition of “Applicable Requirements”, “GAAP”, “Permitted Refinancing Requirements” or to give effect to any other provision specifying that any change, waiver or modification may be made with the consent or approval of the Administrative Agent;
(xi) in connection with any determination as to whether the requisite Lenders have (A) consented (or not consented) to any amendment or waiver of any provision of this Agreement or any other Loan Document or any departure by any Loan Party therefrom, (B) otherwise acted on any matter related to any Loan Document or (C) directed or required the Administrative Agent or any Lender to undertake any action (or refrain from taking any action) with respect to or under any Loan Document, any Lender (other than (x) any Lender that is a Regulated Bank and (y) any Revolving Lender) that, as a result of its interest in any total return swap, total rate of return swap, credit default swap or other derivative contract (other than any such total return swap, total rate of return swap, credit default swap or other derivative contract entered into pursuant to bona fide market making activities or bona fide hedging activities), has a net short position with respect to the Loans and/or Commitments on the date, if any, that such Lender consents to such amendment or waiver, otherwise acts, or directs or requires the Administrative Agent or any Lender to undertake any such action (or refrain from taking any such action) (each, a “Net Short Lender”), shall have no right to vote any of its Loans and Commitments and shall be deemed to have voted its interest as a Lender without discretion in the same proportion as the allocation of voting with respect to such matter by Lenders who are not Net Short Lenders (in each case unless otherwise agreed to by the Borrower Representative). For purposes of determining whether a Lender has a “net short position” on any date of determination: (i) derivative contracts with respect to the Loans, Commitments and such contracts that are the functional equivalent thereof shall be counted at the notional amount thereof in Dollars, (ii) notional amounts in other currencies shall be converted to the dollar equivalent thereof by such Lender in a commercially reasonable manner consistent with generally accepted financial practices and based on the prevailing conversion rate (determined on a mid-market basis) on the date of determination, (iii) derivative contracts in respect of an index that includes any of the Borrowers or any other Loan Party or any instrument issued or guaranteed by any of the Borrowers or any other Loan Party shall be deemed to create a short position with respect to the Loans and/or Commitments if such Lender is a protection buyer or the equivalent thereof for such derivative transaction and (x) the Loans and/or the Commitments of any of the Borrowers or any other Loan Party are a “Reference Obligation” under the terms of such derivative transaction (whether specified by name in the related documentation, included as a “Standard Reference Obligation” on the most recent list published by Markit, if “Standard Reference Obligation” is specified as applicable in the relevant documentation or in any other manner), (y) the Loans and/or the Commitments of any of the Borrowers or any other Loan Party would be a “Deliverable Obligation” under the terms of such derivative transaction or (z) any of the Borrowers or any other Loan Party (or any of their respective successors) is designated as a “Reference Entity” under the terms of such derivative transactions, (v) credit derivative transactions or other derivatives transactions not documented using the ISDA CDS Definitions shall be deemed to create a short position with respect to the Loans and/or Commitments if such transactions are functionally equivalent to a transaction that offers the Lender protection in respect of the Loans, the Commitments or as to the credit quality of any of the Borrowers or any other Loan Party (or any of their respective successors) other than, in each case, as part of an index so long as (x) such index is not created, designed, administered or requested by such Lender and (y) the Borrowers and other Loan Parties and any instrument issued or guaranteed by any of the Borrowers or any other Loan Party, collectively, shall represent less than 5% of the components of such index. In connection with any such determination, each Lender (other than (x) a Lender that is a Regulated Bank and (y) any Revolving Lender) shall promptly notify the Administrative Agent in writing that it is a Net Short Lender, or shall otherwise be deemed to have represented and warranted to the Borrower Representative and the Administrative Agent that it is not a Net Short Lender (it being understood and agreed that the Borrower Representative and the Administrative Agent shall be entitled to rely on each such representation and deemed representation).
11.2 Notices. All notices, requests and demands to or upon the respective parties hereto to be effective shall be in writing (including by facsimile or email, if applicable), and, unless otherwise expressly provided herein, shall be deemed to have been duly given or made when delivered, or three Business Days after being deposited in the mail, postage prepaid, or, in the case of facsimile or email notice, when received, addressed as follows in the case of the Borrower Representative, any Borrower, the Guarantors and the Administrative Agent, and as set forth in an administrative questionnaire delivered to the Administrative Agent in the case of the Lenders, or to such other address as may be hereafter notified by the respective parties hereto:
provided, that any notice, request or demand to or upon the Administrative Agent or the Lenders shall not be effective until received. In no event shall a voice mail message be effective as a notice, communication or confirmation hereunder. All telephonic notices to the Administrative Agent may be recorded by the Administrative Agent, and each of the parties hereto hereby consents to such recording.

Notices and other communications to the Lenders hereunder may be delivered or furnished by electronic communications pursuant to procedures approved by the Administrative Agent; provided that the foregoing shall not apply to notices pursuant to Section 2 unless otherwise agreed by the Administrative Agent and the applicable Lender (“Approved Electronic Communications”). The Administrative Agent or the Borrowers may, in their discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it; provided that approval of such procedures may be limited to particular notices or communications. Unless the Administrative Agent otherwise prescribes, (a) notices and other communications sent to an email address shall be deemed received upon the sender’s receipt of an acknowledgment from the intended recipient (such as by the “return receipt requested” function, as available, return email or other written acknowledgment), provided that if such notice or other communication is not sent during the normal business hours of the recipient, such notice or communication shall be deemed to have been sent at the opening of business on the next Business Day for the recipient, and (b) notices or communications posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient at its email address as described in the foregoing clause (a) of notification that such notice or communication is available and identifying the website address therefor.

Each Loan Party agrees to assume all risk, and hold the Administrative Agent, the Joint Bookrunners and each Lender harmless from any losses, associated with, the electronic transmission of information (including the protection of confidential information), except to the extent caused by the gross negligence or willful misconduct of such Person.

THE PLATFORM IS PROVIDED “AS IS” AND “AS AVAILABLE.” NEITHER THE ADMINISTRATIVE AGENT NOR ANY OF ITS RELATED PARTIES WARRANTS THE ACCURACY OR COMPLETENESS OF THE COMMUNICATIONS OR THE ADEQUACY OF THE PLATFORM AND EACH EXPRESSLY DISCLAIMS LIABILITY FOR ERRORS OR OMISSIONS IN THE COMMUNICATIONS. NO WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR STATUTORY, INCLUDING ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT OF THIRD PARTY RIGHTS OR FREEDOM FROM VIRUSES OR OTHER CODE DEFECTS IS MADE BY THE ADMINISTRATIVE AGENT OR ANY OF ITS RELATED PARTIES IN CONNECTION WITH THE COMMUNICATIONS OR THE PLATFORM. IN NO EVENT SHALL THE ADMINISTRATIVE AGENT OR ANY OF ITS RELATED PARTIES HAVE ANY LIABILITY TO ANY LOAN PARTY, ANY LENDER OR ANY OTHER PERSON FOR DAMAGES OF ANY KIND, WHETHER OR NOT BASED ON STRICT LIABILITY AND INCLUDING DIRECT OR INDIRECT, SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES, LOSSES OR EXPENSES (WHETHER IN TORT, CONTRACT OR OTHERWISE) ARISING OUT OF ANY LOAN PARTY’S OR THE ADMINISTRATIVE AGENT’S TRANSMISSION OF COMMUNICATIONS THROUGH THE INTERNET, EXCEPT TO THE EXTENT THE LIABILITY OF ANY SUCH PERSON IS FOUND IN A FINAL RULING BY A COURT OF COMPETENT JURISDICTION TO HAVE RESULTED PRIMARILY FROM SUCH PERSON’S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT.
Each Loan Party, the Lenders, the Issuing Lenders, the Joint Lead Arrangers, the Joint Bookrunners, the Incremental Facility Arrangers and the Administrative Agent agree that the Administrative Agent may, but shall not be obligated to, store any Approved Electronic Communications on the Platform in accordance with Administrative Agent’s customary document retention procedures and policies.

Each of the Borrowers, the Guarantors, the Administrative Agent, Issuing Lenders and Swingline Lender may change its address, facsimile or telephone number for notices and other communications hereunder by notice to the other parties hereto. Each other Lender may change its address, facsimile or telephone number for notices and other communications hereunder by notice to the Borrower Representative, the Administrative Agent, the Issuing Lenders and the Swingline Lender. In addition, each Lender agrees to notify the Administrative Agent from time to time to ensure that the Administrative Agent has on record (i) an effective address, contact name, telephone number, facsimile number and electronic mail address to which notices and other communications may be sent and (ii) accurate wire instructions for such Lender. Furthermore, each Public Lender agrees to cause at least one individual at or on behalf of such Public Lender to at all times have selected the “Private Side Information” or similar designation on the content declaration screen of the Platform in order to enable such Public Lender or its delegate, in accordance with such Public Lender’s compliance procedures and applicable Law, including United States Federal and state securities Laws, to make reference to documents or notices that are not made available through the “Public Side Information” portion of the Platform and that may contain Private Lender Information.

11.3 No Waiver; Cumulative Remedies. No failure to exercise and no delay in exercising, on the part of the Administrative Agent or any Lender, any right, remedy, power or privilege hereunder or under the other Loan Documents shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges herein provided are cumulative and not exclusive of any rights, remedies, powers and privileges provided by law.

11.4 Survival of Representations and Warranties. All representations and warranties made hereunder, in the other Loan Documents and in any document, certificate or statement delivered pursuant hereto or in connection herewith shall survive the execution and delivery of this Agreement and the making of the Loans and other extensions of credit hereunder.
11.5 Payment of Expenses. The Borrowers agree upon the occurrence of the Closing Date (a) to pay or reimburse the Joint Lead Arrangers, the Joint Bookrunners, the Incremental Facility Arrangers, the Issuing Lenders, the Swingline Lender, the Administrative Agent and the Collateral Agent (without duplication) for all their reasonable and documented out-of-pocket costs and expenses incurred in connection with the syndication of the Facilities and the development, preparation and execution of, and any amendment, supplement or modification to, this Agreement and the other Loan Documents and any other documents prepared in connection herewith or therewith, and the consummation and administration of the transactions contemplated hereby and thereby, including the reasonable fees and disbursements of one primary outside counsel to the Administrative Agent, the Collateral Agent, the Issuing Lenders, the Swingline Lender, the Joint Lead Arrangers and the Joint Bookrunners and the Incremental Facility Arrangers, taken as a whole, and one local counsel to the foregoing Persons, taken as a whole, in each appropriate jurisdiction (which may include one special counsel acting in multiple jurisdictions) (and additional counsel in the case of actual or perceived conflicts where such Person informs the Borrowers of such conflict and retains such counsel), and filing and recording fees and expenses, with statements with respect to the foregoing to be submitted to the Borrowers on or prior to the Closing Date (in the case of amounts to be paid on the Closing Date) and from time to time thereafter on a quarterly basis or such other periodic basis as the Administrative Agent shall deem appropriate, (b) to pay or reimburse each Lender, each Issuing Lender, the Swingline Lender, the Administrative Agent and the Collateral Agent for all of their reasonable and documented out-of-pocket costs and expenses (other than allocated costs of in-house counsel) incurred in connection with the workout, restructuring, enforcement or preservation of any rights under this Agreement, the other Loan Documents and any such other documents, including the reasonable and documented fees and disbursements of one primary outside counsel to the Lenders, the Issuing Lenders, the Swingline Lender, the Administrative Agent, the Collateral Agent, the Joint Lead Arrangers and the Joint Bookrunners and the Incremental Facility Arrangers, taken as a whole, and one local counsel to the foregoing Persons, taken as a whole, in each appropriate jurisdiction (which may include one special counsel acting in multiple jurisdictions) (and in the case of an actual or perceived conflict of interest by any of the foregoing Persons, where such Person informs the Borrowers of such conflict and retains such counsel, additional counsel to such affected Person), (c) to pay, indemnify, and hold each Lender, each Issuing Lender, the Swingline Lender, the Administrative Agent and the Collateral Agent harmless from, any and all recording and filing fees that may be payable or determined to be payable in connection with the execution and delivery of, or consummation or administration of any of the transactions contemplated by, or any amendment, supplement or modification of, or any waiver or consent under or in respect of, this Agreement, the other Loan Documents and any such other documents, and (d) to pay, indemnify, and hold each Lender, each Issuing Lender, the Swingline Lender, the Administrative Agent, the Collateral Agent, each Joint Lead Arranger, each Joint Bookrunner, each Incremental Facility Agent, each of their respective Affiliates that are providing services in connection with the financing contemplated by this Agreement and each member (and successors and assigns), officer, director, trustee, employee, agent and controlling person of the foregoing (each, an “Indemnitee”) harmless from and against any and all other claims, liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever with respect to or arising out of or in connection with the Transactions, the transactions contemplated hereby, any transactions connected therewith and the execution, delivery, enforcement, performance and administration of this Agreement, the other Loan Documents and any such other documents (regardless of whether any Indemnitee is a party hereto and regardless of whether any such matter is initiated by a third party, the Borrowers, any other Loan Party or any other Person), including any of the foregoing relating to the use of proceeds of the Loans or the violation of, noncompliance with or liability under, any Environmental Law relating to Holdings or any Group Member or any of the Properties and the reasonable fees and expenses of one primary legal counsel to the Indemnities, taken as a whole (or in the case of an actual or perceived conflict of interest by an Indemnitee, where such Person informs the Borrowers of such conflict and retains such counsel, additional counsel to the affected Indemnitees), and one local counsel in each appropriate jurisdiction (which may include one special counsel acting in multiple jurisdictions) to the Indemnites in connection with claims, actions or proceedings by any Indemnitee against any Loan Party under any Loan Document (all the foregoing in this clause (d), collectively, the “Indemnified Liabilities”) (but excluding any losses, liabilities, claims, damages, costs or expenses relating to the matters referred to in Sections 2.18, 2.19 and 2.21 (which shall be the sole remedy in respect of the matters set forth therein) (other than losses, liabilities, claims, damages, costs or expenses arising from any legal proceeding or other dispute over such Sections)), provided that the Borrowers shall not have any obligation hereunder to any Indemnitee with respect to Indemnified Liabilities to the extent such Indemnified Liabilities are (i) (A) found by a final and nonappealable decision of a court of competent jurisdiction to have resulted from the gross negligence, bad faith or willful misconduct of such Indemnitee, (B) found by a final and nonappealable decision of a court of competent jurisdiction to have resulted from a material breach of the Loan Documents by such Indemnitee, (C) any dispute that does not involve an act or omission by the Borrowers, Holdings or any of their respective Affiliates and that is brought by any Indemnitee against any other Indemnitee (other than in its capacity as Administrative Agent, Collateral Agent, Joint Lead Arranger, Joint Bookrunner, Incremental Facility Arranger, Swingline Lender, Issuing Lender or similar role hereunder) or (D) directly and exclusively caused, with respect to the violation of, noncompliance with or liability under, any Environmental Law relating to any of the Properties, by the act or omissions by Persons other than the Group Members, Loan Parties or any of their respective Subsidiaries or their respective Related Parties with respect to the applicable Property that occur after the Administrative Agent sells the respective Property pursuant to a foreclosure or has accepted a deed in lieu of foreclosure or (ii) settlements entered into by such person without the Borrowers’ written consent (such consent to not be unreasonably withheld, conditioned or delayed). All amounts due under this Section 11.5 shall be payable not later than 10 days after written demand therefor. Statements payable by the Borrowers pursuant to this Section 11.5 shall be submitted to the Borrowers at the address of the Borrowers set forth in Section 11.2, or to such other Person or address as may be hereafter designated by the Borrowers in a written notice to the Administrative Agent. This Section 11.5 shall not apply with respect to Taxes (other than any Taxes that represent losses, claims or damages arising from any non-Tax claim). The agreements in this Section 11.5 shall survive the termination of this Agreement and the repayment of the Loans and all other amounts payable hereunder.
11.6 Successors and Assigns; Participations and Assignments.

(a) The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby (including any affiliate of any Issuing Lender that issues any Letter of Credit), except that, other than as expressly permitted hereunder, no Borrower may assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of each Lender and the Administrative Agent (and any attempted assignment or transfer by any Borrower without such consent shall be null and void).

(b) (i) Subject to the conditions set forth in paragraph (b)(ii) below, any Lender may assign to one or more Eligible Assignees (each, an “Assignee”) all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitments and the Loans at the time owing to it and the Note or Notes (if any) held by it) with the prior written consent (such consent not to be unreasonably withheld, conditioned or delayed) of:
(A) in the case of any Term Lender (other than with respect to Incremental Term Loans and Incremental Term Commitments), any Revolving Lender or Incremental Term Lender (with respect to Incremental Term Loans and Incremental Term Commitments), the Borrower Representative, provided that such consent shall be deemed to have been given if the Borrower Representative has not responded within (x) 10 Business Days after notice by the Administrative Agent in respect of an assignment under the Revolving Facility and (y) 5 Business Days after notice by the Administrative Agent in respect of an assignment under the Term Facility, provided, further, that no consent of the Borrower Representative shall be required (x) in the case of the Revolving Facility, for an assignment to any existing Lender under the Revolving Facility or an Affiliate of an existing Lender under the Revolving Facility or, if a Specified Event of Default has occurred and is continuing, any other Eligible Assignee or (y) in the case of the Term Facility, for an assignment to a Lender, an Affiliate of a Lender, an Approved Fund (as defined below) or, if a Specified Event of Default has occurred and is continuing, any other Eligible Assignee;

(B) except with respect to an assignment of Term Loans to an existing Lender, an Affiliate of a Lender or an Approved Fund, or an assignment under the Revolving Facility by any affiliate of Barclays Bank Ireland PLC to Barclays Bank Ireland PLC, the Administrative Agent (such consent not to be unreasonably withheld, conditioned or delayed); and

(C) with respect to any proposed assignment of all or a portion of any Revolving Loan or Revolving Commitment other than an assignment under the Revolving Facility by any affiliate of Barclays Bank Ireland PLC to Barclays Bank Ireland PLC, the Swingline Lender and each Issuing Lender.

(ii) Assignments shall be subject to the following additional conditions:

(A) except in the case of an assignment to a Lender, an Affiliate of a Lender or an Approved Fund or an assignment of the entire remaining amount of the assigning Lender’s Commitments or Loans under any Facility, the amount of the Commitments or Loans of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Assumption with respect to such assignment is delivered to the Administrative Agent) shall not be less than (i) with respect to Term Loans, $1,000,000, and (ii) with respect to Revolving Loans and Revolving Commitments, $5,000,000 (provided that, in each case, that simultaneous assignments to or by two or more Approved Funds shall be aggregated for purposes of determining such amount) unless the Administrative Agent and, in the case of Term Loans (other than Incremental Term Loans), Revolving Commitments or Revolving Loans or Incremental Term Loans or Incremental Term Commitments, the Borrower Representative otherwise consents;
(B) the parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Assumption via an electronic settlement system acceptable to the Administrative Agent (or, if previously agreed with the Administrative Agent, manually), and shall pay to the Administrative Agent a processing and recordation fee of $3,500 (which such fee may be waived or reduced in the sole discretion of the Administrative Agent) for each assignment or group of affiliated or related assignments (it being understood that such recordation fee shall not apply to any assignments by any of the Joint Lead Arrangers or any of their Affiliates); and

(C) the Assignee, if it shall not be a Lender, shall deliver to the Administrative Agent an administrative questionnaire and applicable Forms.

This paragraph (b) shall not prohibit any Lender from assigning all or any portion of its rights and obligations among separate Facilities on a non-pro rata basis.

For the purposes of this Section 11.6, “Approved Fund” means any Person (other than a natural person (or a holding company, investment vehicle or trust for or owned and operated by or for the primary benefit of one or more natural persons)) that is engaged in making, purchasing, holding or investing in bank loans and similar extensions of credit in the ordinary course and that is administered or managed by (a) a Lender, (b) an Affiliate of a Lender or (c) an entity or an Affiliate of an entity that administers or manages a Lender.

(iii) Assignments to Permitted Auction Purchasers. Each Lender acknowledges that each Permitted Auction Purchaser is an Eligible Assignee hereunder and may purchase or acquire Term Loans hereunder from Lenders from time to time (x) pursuant to a Dutch Auction in accordance with the terms of this Agreement (including Section 11.6 hereof), subject to the restrictions set forth in the definitions of “Eligible Assignee” and “Dutch Auction” or (y) pursuant to open market purchases, in each case, subject to the following limitations:

242
(A) each Permitted Auction Purchaser agrees that, notwithstanding anything herein or in any of the other Loan Documents to the contrary, with respect to any Auction Purchase or other acquisition of Term Loans, (1) under no circumstances, whether or not any Loan Party is subject to a bankruptcy or other insolvency proceeding, shall such Permitted Auction Purchaser be permitted to exercise any voting rights or other privileges with respect to any Term Loans and any Term Loans that are assigned to such Permitted Auction Purchaser shall have no voting rights or other privileges under this Agreement and the other Loan Documents and shall not be taken into account in determining any required vote or consent and (2) such Permitted Auction Purchaser shall not receive information provided solely to Lenders by the Administrative Agent or any Lender and shall not be permitted to attend or participate in meetings attended solely by Lenders and the Administrative Agent and their advisors; rather, all Loans held by any Permitted Auction Purchaser shall be automatically Cancelled immediately upon the purchase or acquisition thereof in accordance with the terms of this Agreement (including Section 11.6 hereof);

(B) at the time any Permitted Auction Purchaser is making purchases of Loans it shall enter into an Assignment and Assumption Agreement;

(C) immediately upon the effectiveness of each Auction Purchase or other acquisition of Term Loans, a Cancellation (it being understood that such Cancellation shall not constitute a voluntary repayment of Loans for purposes of this Agreement) shall be automatically irrevocably effected with respect to all of the Loans and related Obligations subject to such Auction Purchase, with the effect that such Loans and related Obligations shall for all purposes of this Agreement and the other Loan Documents no longer be outstanding, and the Borrowers and the Guarantors shall no longer have any Obligations relating thereto, it being understood that such forgiveness and cancellation shall result in the Borrowers and the Guarantors being irrevocably and unconditionally released from all claims and liabilities relating to such Obligations which have been so cancelled and forgiven, and the Collateral shall cease to secure any such Obligations which have been so cancelled and forgiven; and

(D) at the time of such Purchase Notice and Auction Purchase or other acquisition of Term Loans, (w) no Event of Default shall have occurred and be continuing, (x) Holdings, the Borrowers or any of their respective Affiliates shall not be required to make any representation that it is not in possession of material non-public information with respect to Holdings, the Borrowers, their respective subsidiaries or their respective securities, (y) any Affiliated Lender that is a Purchaser shall identify itself as such and (z) no proceeds of Revolving Loans shall be used to consummate the Auction Purchase.
Notwithstanding anything to the contrary herein, this Section 11.6(b)(iii) shall supersede any provisions in Section 2.17 to the contrary.

(iv) Assignments to Affiliated Lenders. Any Lender may, at any time, assign all or a portion of its rights and obligations with respect to the Term Loans to an Affiliated Lender through (x) Dutch Auctions open to all Lenders (or all Lenders of a particular Class) on a pro rata basis or (y) open market purchases, in each case subject to the following limitations:

(A) notwithstanding anything in Section 11.1 or the definition of “Required Lenders” to the contrary, for purposes of determining whether the Lenders have (1) consented to any amendment, waiver or modification of any Loan Document (including such modifications pursuant to Section 11.1), (2) otherwise acted on any matter related to any Loan Document, (3) directed or required the Administrative Agent or any Lender to undertake any action (or refrain from taking any action) with respect to or under any Loan Document, or (4) subject to Section 2.23, voted on any plan of reorganization pursuant to Title 11 of the United States Code, that in either case does not require the consent of each Lender or each affected Lender or does not adversely affect such Affiliated Lender disproportionately in any material respect as compared to other Lenders, the Sponsors and any Non-Debt Fund Affiliate will be deemed to have voted in the same proportion as Lenders that are not Affiliated Lenders voting on such matter; and the Sponsors and each Non-Debt Fund Affiliate each hereby acknowledges, agrees and consents that if, for any reason, its vote to accept or reject any plan pursuant to Title 11 of the United States Code is not deemed to have been so voted, then such vote will be (x) deemed not to be in good faith and (y) “designated” pursuant to Section 1126(e) of Title 11 of the United States Code such that the vote is not counted in determining whether the applicable class has accepted or rejected such plan in accordance with Section 1126(c) of Title 11 of the United States Code; provided that, for the avoidance of doubt, Debt Fund Affiliates shall not be subject to such limitation and shall be entitled to vote as any other Lender; provided, further, that, notwithstanding the foregoing or anything herein to the contrary, Debt Fund Affiliates may not in the aggregate account for more than 49.9% of the amounts set forth in the calculation of Required Lenders and any amount in excess of 49.9% will be subject to the limitations set forth in this clause (A);
Notwithstanding anything to the contrary herein, this Section 11.6(b)(iv) shall supersede any provisions in Section 2.17 to the contrary.
(v) Subject to acceptance and recording thereof pursuant to Section 11.6(b)(vii) below, from and after the effective date specified in each Assignment and Assumption the Assignee thereunder shall be a party hereto and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender’s rights and obligations under this Agreement, such Lender shall cease to be a party hereto but shall continue to be entitled to the benefits of Sections 2.18, 2.19, 2.21 and 11.5). Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this Section 11.6(b) shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations if such transaction complies with the requirements of Section 11.6(c).

(vi) The Administrative Agent, acting for this purpose as an agent of the Borrowers, shall maintain at one of its offices a copy of each Assignment and Assumption delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitments of, and principal amount of (and any stated interest on) the Loans and L/C Obligations owing to, each Lender pursuant to the terms hereof from time to time (the “Register”). The entries in the Register shall be conclusive, and the Borrowers, the Administrative Agent and the Lenders may treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. The Register shall be available for inspection by any Borrower and any Lender as to its own Commitments and amounts owing to it (and, in the case of any Issuing Lender, as to the identity of each other Revolving Lender), at any reasonable time and from time to time upon reasonable prior notice (but not to exceed once per calendar month), and to the extent otherwise necessary to establish that the Commitments, Loans, L/C Obligations or other obligations under the Loan Documents are in registered form under Sections 5f.103-1(c) and 1.871-14(c) of the United States Treasury Regulations.

(vii) Upon its receipt of a duly completed Assignment and Assumption executed by an assigning Lender and an Assignee, the Assignee’s completed administrative questionnaire and applicable Forms (unless the Assignee shall already be a Lender hereunder), together with (x) any processing and recordation fee and (y) any written consent to such assignment required by Section 11.6(b), the Administrative Agent shall promptly accept such Assignment and Assumption and record the information contained therein in the Register. No assignment shall be effective for purposes of this Agreement unless it has been recorded in the Register as provided in this paragraph.

246
If, other than in the course of primary syndication, a Lender assigns any of its rights or obligations under this Section 11.6 and as a result of circumstances existing at the date the assignment occurs, a Loan Party would be obliged to make a payment with respect to non-U.S. Taxes to the assignee under Section 2.19(a) or Section 2.19(f) then the assignee is only entitled to receive payment under Section 2.19(a) or Section 2.19(f) with respect to such non-U.S. Taxes to the same extent as the assigning Lender would have been if the assignment had not occurred.

(c) **(i)** Any Lender may, without the consent of the Borrowers or the Administrative Agent, sell participations to one or more banks or other entities (other than a Disqualified Lender, natural person, a Defaulting Lender, Holdings or any Subsidiary of Holdings) (a “Participant”) in all or a portion of such Lender’s rights and obligations under this Agreement (including all or a portion of its Commitments and the Loans owing to it); provided that (A) such Lender’s obligations under this Agreement shall remain unchanged, (B) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (C) the Borrowers, the Administrative Agent, the Issuing Lenders and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender’s rights and obligations under this Agreement. Any agreement pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; provided that such agreement may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver that (1) requires, subject to Section 11.1(b), the consent of each Lender directly affected thereby pursuant to clauses (A) and (C) of Section 11.1(a) and (2) directly affects such Participant. Subject to Section 11.6(c)(ii), the Borrowers agree that each Participant shall be entitled to the benefits of Sections 2.18, 2.19 and 2.21 (subject to the requirements of those sections) to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to Section 11.6(b). To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 11.8(a) as though it were a Lender. Each Lender that sells a participation shall, acting solely for U.S. federal income tax purposes as an agent of the Borrowers, maintain a register on which it enters the name and address of each Participant and the commitment of, and the principal amounts (and stated interest) of, each Participant’s interest in the Loans, L/C Obligations or other obligations under the Loan Documents (the “Participant Register”); provided that no Lender shall have any obligation to disclose all or any portion of the Participant Register to any Person (including the identity of any Participant or any information relating to a Participant’s interest in any Commitments, Loans, L/C Obligations or its other obligations under any Loan Document) except to the extent that the relevant parties, acting reasonably and in good faith, determine that such disclosure is necessary to establish that such Commitment, Loan, L/C Obligation or other obligation is in registered form under Sections 5f.103-1(c) and 1.871-14(c) of the United States Treasury Regulations. Unless otherwise required by the Internal Revenue Service (“IRS”), any disclosure required by the foregoing sentence shall be made by the relevant Lender directly and solely to the IRS. The entries in the Participant Register shall be conclusive, and such Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary.
A Participant shall not be entitled to receive any greater payment under Section 2.18 or 2.19 than the applicable Lender would have been entitled to receive with respect to the participation sold to such Participant. No Participant shall be entitled to the benefits of Section 2.19 unless such Participant complies with Sections 2.19(i), 2.19(k), 2.19(m) and 2.19(o).

Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank or any other central bank, and this Section shall not apply to any such pledge or assignment of a security interest; provided that no such pledge or assignment of a security interest shall release a Lender from any of its obligations hereunder or substitute any such pledgee or Assignee for such Lender as a party hereto.

The Borrowers, upon receipt of written notice from the relevant Lender, agree to issue Notes to any Lender requiring Notes to facilitate transactions of the type described in Section 11.6(d) above.

Each Lender, upon succeeding to an interest in Commitments or Loans, as the case may be, represents and warrants as of the effective date of the applicable Assignment and Assumption that it is an Eligible Assignee.

In case of assignment, transfer or novation by a Lender to a new lender or Participant, of all or any part of its rights and obligations under this Agreement, the Lenders and the new lender or Participant shall agree that, for the purposes of Article 1278 and/or Article 1281 of the Luxembourg Civil Code (to the extent applicable), any assignment, amendment, transfer and/or novation of any kind permitted under, and made in accordance with the provisions of the Agreement or any agreement referred to herein to which a Luxembourg Loan Party is a party (including any Security Document), any security created or guarantee given under the Agreement or in relation to the Agreement shall be preserved and continue in full force and effect to the benefit of the new lender or participant.

Each Spanish Loan Party hereby expressly consents to each assignment, transfer and/or novation of rights or obligations made in accordance with this Section 11.6 (Successors and Assigns; Participations and Assignments). Each Spanish Borrower and Spanish Guarantor also accepts and confirms, for the purposes of the Spanish Civil Code and all other purposes, that all guarantees, indemnities and, if applicable any security interests granted by it under any Loan Document and/or Security Documents will, notwithstanding any such assignment, transfer or novation, continue and be preserved for the benefit of the new lender and each of the other Loan Parties in accordance with the terms of the Loan Documents, expressly waiving any right the Spanish Loan Party may have in the future under Article 1535 of the Spanish Civil Code to any extent it may be applicable.
11.7 [Reserved].

11.8 Adjustments; Set-off.

(a) Except to the extent that this Agreement expressly provides for or permits payments to be allocated or made to a particular Lender or to the Lenders under a particular Facility, if any Lender (a “Benefited Lender”) shall receive any payment of all or part of the Obligations owing to it under any Facility, or receive any collateral in respect thereof (whether voluntarily or involuntarily, by set-off, pursuant to events or proceedings of the nature referred to in Section 9.1(g) or otherwise), in a greater proportion than any such payment to or collateral received by any other Lender, if any, in respect of the Obligations owing to such other Lender under such Facility, such Benefited Lender shall purchase for cash from the other Lenders under such Facility a participating interest in such portion of the Obligations owing to each such other Lender, or shall provide such other Lenders with the benefits of any such collateral, as shall be necessary to cause such Benefited Lender to share the excess payment or benefits of such collateral ratably with each of the Lenders under such Facility; provided, however, that if all or any portion of such excess payment or benefits is thereafter recovered from such Benefited Lender, such purchase shall be rescinded, and the purchase price and benefits returned, to the extent of such recovery, but without interest.

(b) In addition to any rights and remedies of the Lenders provided by law, each Lender shall have the right, with the prior consent of the Administrative Agent, without prior notice to Holdings or any Borrower or any other Loan Party, any such notice being expressly waived by Holdings and the Borrowers and each other Loan Party to the extent permitted by applicable law, upon the occurrence and during the continuance of any Event of Default, to set off and appropriate and apply against the Obligations any and all deposits (general or special, time or demand, provisional or final), in any currency, and any other credits, indebtedness or claims, in any currency, in each case whether direct or indirect, absolute or contingent, matured or unmatured, at any time held or owing by such Lender or any branch or agency thereof to or for the credit or the account of Holdings or the Borrowers or any such other Loan Party, as the case may be. Each Lender agrees promptly to notify the Borrowers and the Administrative Agent after any such setoff and application made by such Lender, provided that the failure to give such notice shall not affect the validity of such setoff and application.

11.9 [Reserved].

11.10 Counterparts; Electronic Execution.

(a) This Agreement may be executed by one or more of the parties to this Agreement on any number of separate counterparts, and all of said counterparts taken together shall be deemed to constitute one and the same instrument. Delivery of an executed signature page of this Agreement or any document or instrument delivered in connection herewith by facsimile transmission or electronic PDF shall be effective as delivery of a manually executed counterpart of this Agreement or such other document or instrument, as applicable. A set of the copies of this Agreement signed by all the parties shall be lodged with the Borrower Representative and the Administrative Agent.

(b) The words “execute,” “execution,” “signed,” “signature,” and words of like import in or related to any document to be signed in connection with this Agreement and the transactions contemplated hereby (including without limitation Assignment and Assumptions, amendments or other modifications, notices, waivers and consents) shall be deemed to include electronic signatures, the electronic matching of assignment terms and contract formations on electronic platforms approved by the Administrative Agent, or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act; provided that notwithstanding anything contained herein to the contrary the Administrative Agent is under no obligation to agree to accept electronic signatures in any form or in any format unless expressly agreed to by the Administrative Agent pursuant to procedures approved by it or pursuant to the Records Act or any other similar state laws based on the Uniform Electronic Transactions Act.
11.11 Severability. Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

11.12 Integration. This Agreement, the other Loan Documents and any separate letter agreements with respect to fees payable to the Joint Lead Arrangers, the Joint Bookrunners, the Incremental Facility Arrangers and the Administrative Agent represent the entire agreement of the Borrowers, the Guarantors, the Administrative Agent and the Lenders with respect to the subject matter hereof and thereof, and there are no promises, undertakings, representations or warranties by the Administrative Agent or any Lender relative to the subject matter hereof not expressly set forth or referred to herein or in the other Loan Documents.


11.14 Submission To Jurisdiction; Waivers. Each party hereto hereby irrevocably and unconditionally:

(a) submits for itself and its property in any legal action or proceeding relating to this Agreement and the other Loan Documents to which it is a party, or for recognition and enforcement of any judgment in respect thereof, to the exclusive general jurisdiction of the courts of the State of New York sitting in the borough of Manhattan in New York City, the courts of the United States for the Southern District of New York, and appellate courts from any thereof, to the extent such courts would have subject matter jurisdiction with respect thereto, and agrees that notwithstanding the foregoing (x) a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law and (y) legal actions or proceedings brought by the Secured Parties in connection with the exercise of rights and remedies with respect to Collateral may be brought in other jurisdictions where such Collateral is located or such rights or remedies may be exercised;

(b) consents that any such action or proceeding may be brought in such courts and waives any objection that it may now or hereafter have to the venue of any such action or proceeding in any such court and waives any right to claim that such action or proceeding was brought in an inconvenient court and agrees not to plead or claim the same;
CONSSENTS TO SERVICE OF PROCESS IN THE MANNER PROVIDED FOR NOTICES IN SECTION 11.2. EACH FOREIGN LOAN PARTY HEREBY IRREVOCABLY APPOINTS THE BORROWER REPRESENTATIVE AS ITS AUTHORIZED AGENT TO ACCEPT AND ACKNOWLEDGE SERVICE OF ANY AND ALL PROCESS WHICH MAY BE SERVED IN ANY SUIT, ACTION OR PROCEEDING OF THE NATURE REFERRED TO IN THIS SECTION 11.14 AND THE BORROWER REPRESENTATIVE HEREBY ACCEPTS SUCH APPOINTMENT. EACH FOREIGN LOAN PARTY AGREES THAT SUCH SERVICE (I) SHALL BE DEEMED IN EVERY RESPECT EFFECTIVE SERVICE OF PROCESS UPON IT IN ANY SUCH SUIT, ACTION OR PROCEEDING AND (II) SHALL, TO THE FULLEST EXTENT PERMITTED BY LAW, BE TAKEN AND HELD TO BE VALID PERSONAL SERVICE UPON AND PERSONAL DELIVERY TO IT;

agrees that nothing herein shall affect the right to effect service of process in any other manner permitted by law or limit the right of any Lender to bring proceedings against any Foreign Loan Party in the courts of any jurisdiction or jurisdictions; and

waives, to the maximum extent not prohibited by law, any right it may have to claim or recover in any legal action or proceeding arising out of, in connection with, or as a result of, this Agreement or any agreement or instrument contemplated hereby, the Transactions, the Incremental Facility Transactions, any Loan or Letter of Credit or the use of the proceeds thereof, any special, exemplary, punitive or consequential damages against any Indemnitee.

11.15 Acknowledgements. Each of the Borrowers and Guarantors hereby acknowledges that:

(a) it has been advised by counsel in the negotiation, execution and delivery of this Agreement and the other Loan Documents;

(b) neither the Administrative Agent nor any Lender has any fiduciary relationship with or duty to the Borrowers or any Guarantor arising out of or in connection with this Agreement or any of the other Loan Documents, and the relationship between the Administrative Agent and Lenders, on one hand, and the Borrowers and each Guarantor, on the other hand, in connection herewith or therewith is solely that of debtor and creditor; and

(c) no joint venture is created hereby or by the other Loan Documents or otherwise exists by virtue of the transactions contemplated hereby among the Lenders or among Holdings, the Borrowers or the Guarantors and the Lenders.

11.16 Acknowledgement and Consent to Bail-In of EEA Financial Institutions. Notwithstanding anything to the contrary in any Loan Document or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any EEA Financial Institution arising under any Loan Document, to the extent such liability is unsecured, may be subject to Write-Down and Conversion Powers of an EEA Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:
that unless specifically prohibited by applicable law, reasonable efforts shall be made to notify the Borrowers of any such request prior to any other

that nothing herein shall prevent the Administrative Agent or any Lender from disclosing any such information (a) to the Administrative Agent, the Joint Lead Arrangers, the Joint Bookrunners, the Incremental Facility Arrangers, any other Lender or any Affiliate thereof, (b) subject to an agreement to comply with provisions no less restrictive than this Section, to any actual or prospective Transferee or any direct or indirect counterparty to any Swap Agreement (or any professional advisor to such counterparty) (other than Disqualified Lenders), (c) to its employees, officers, directors, trustees, agents, attorneys, accountants and other professional advisors and to the employees, officers, directors, trustees, agents, attorneys, accountants and other professional advisors of its Affiliates or of actual or prospective Transferees that, in each case, have been advised of the provisions of this Section and have been instructed to keep such information confidential, (d) in response to any order of any court or other Governmental Authority or as may otherwise be required pursuant to any Requirement of Law, in which case, to the extent permitted by law, you agree to inform the Borrowers promptly thereof prior to such disclosure to the extent practicable (except with respect to any routine audit or examination conducted by bank accountants or any governmental bank regulatory authority exercising examination or regulatory authority), (e) in response to any order of any court or other Governmental Authority or as may otherwise be required pursuant to any Requirement of Law, in which case, to the extent permitted by law, you agree to inform the Borrowers promptly thereof (except with respect to any routine audit or examination conducted by bank accountants or any governmental bank regulatory authority exercising examination or regulatory authority), (f) if requested or required to do so in connection with any litigation or similar proceeding, in which case, to the extent permitted by law, you agree to inform the Borrowers promptly thereof (except with respect to any audit or examination conducted by bank accountants or any governmental bank regulatory authority exercising examination or regulatory authority); provided that unless specifically prohibited by applicable law, reasonable efforts shall be made to notify the Borrowers of any such request prior to disclosure, (g) that has been publicly disclosed other than as a result of a breach of this Section, (h) to the National Association of Insurance Commissioners or any similar organization or any nationally recognized rating agency that requires access to information about a Lender’s investment portfolio in connection with ratings issued with respect to such Lender; provided, such Person has been advised of the provisions of this Section and instructed to keep such information confidential, (i) to market data collectors and service providers to the Administrative Agent or any Lender in connection with the administration and management of the Facilities, (j) to the extent that such information is or was received by the Administrative Agent or any Lender from a third party that is not to the knowledge of the Administrative Agent, such Lender or any affiliates thereof subject to confidentiality obligations owing to any Loan Party, the Sponsors or any of their respective subsidiaries or (k) in connection with the exercise of any remedy hereunder or under any other Loan Document. In addition, the Administrative Agent and the Lenders may disclose the existence of this Agreement and information about this Agreement to market data collectors, similar service providers to the lending industry, and service providers to the Administrative Agent and the Lenders in connection with the administration and management of this Agreement, the other Loan Documents, the Commitments, and the extensions of credit hereunder. Notwithstanding anything herein to the contrary, any party to this Agreement (and any employee, officer, representative, or other agent of any party to this Agreement) may disclose to any and all persons, without limitation of any kind, the tax treatment and tax structure of the transactions contemplated by this Agreement and all materials of any kind (including opinions or other tax analyses) that are provided to it relating to such tax treatment and tax structure. However, any such information relating to the tax treatment or tax structure is required to be kept confidential to the extent necessary to comply with any applicable federal or state securities laws.

11.17 Confidentiality. Each of the Administrative Agent and each Lender agrees to keep confidential all non-public information provided to it by any Loan Party, the Administrative Agent or any Lender pursuant to or in connection with this Agreement that is not designated by the provider thereof as public information or non-confidential; provided that nothing herein shall prevent the Administrative Agent or any Lender from disclosing any such information (a) to the Administrative Agent, the Joint Lead Arrangers, the Joint Bookrunners, the Incremental Facility Arrangers, any other Lender or any Affiliate thereof, (b) subject to an agreement to comply with provisions no less restrictive than this Section, to any actual or prospective Transferee or any direct or indirect counterparty to any Swap Agreement (or any professional advisor to such counterparty) (other than Disqualified Lenders), (c) to its employees, officers, directors, trustees, agents, attorneys, accountants and other professional advisors and to the employees, officers, directors, trustees, agents, attorneys, accountants and other professional advisors of its Affiliates or of actual or prospective Transferees that, in each case, have been advised of the provisions of this Section and have been instructed to keep such information confidential, (d) in response to any order of any court or other Governmental Authority or as may otherwise be required pursuant to any Requirement of Law, in which case, to the extent permitted by law, you agree to inform the Borrowers promptly thereof prior to such disclosure to the extent practicable (except with respect to any routine audit or examination conducted by bank accountants or any governmental bank regulatory authority exercising examination or regulatory authority), (e) in response to any order of any court or other Governmental Authority or as may otherwise be required pursuant to any Requirement of Law, in which case, to the extent permitted by law, you agree to inform the Borrowers promptly thereof (except with respect to any routine audit or examination conducted by bank accountants or any governmental bank regulatory authority exercising examination or regulatory authority), (f) if requested or required to do so in connection with any litigation or similar proceeding, in which case, to the extent permitted by law, you agree to inform the Borrowers promptly thereof (except with respect to any audit or examination conducted by bank accountants or any governmental bank regulatory authority exercising examination or regulatory authority); provided that unless specifically prohibited by applicable law, reasonable efforts shall be made to notify the Borrowers of any such request prior to disclosure, (g) that has been publicly disclosed other than as a result of a breach of this Section, (h) to the National Association of Insurance Commissioners or any similar organization or any nationally recognized rating agency that requires access to information about a Lender’s investment portfolio in connection with ratings issued with respect to such Lender; provided, such Person has been advised of the provisions of this Section and instructed to keep such information confidential, (i) to market data collectors and service providers to the Administrative Agent or any Lender in connection with the administration and management of the Facilities, (j) to the extent that such information is or was received by the Administrative Agent or any Lender from a third party that is not to the knowledge of the Administrative Agent, such Lender or any affiliates thereof subject to confidentiality obligations owing to any Loan Party, the Sponsors or any of their respective subsidiaries or (k) in connection with the exercise of any remedy hereunder or under any other Loan Document. In addition, the Administrative Agent and the Lenders may disclose the existence of this Agreement and information about this Agreement to market data collectors, similar service providers to the lending industry, and service providers to the Administrative Agent and the Lenders in connection with the administration and management of this Agreement, the other Loan Documents, the Commitments, and the extensions of credit hereunder. Notwithstanding anything herein to the contrary, any party to this Agreement (and any employee, officer, representative, or other agent of any party to this Agreement) may disclose to any and all persons, without limitation of any kind, the tax treatment and tax structure of the transactions contemplated by this Agreement and all materials of any kind (including opinions or other tax analyses) that are provided to it relating to such tax treatment and tax structure. However, any such information relating to the tax treatment or tax structure is required to be kept confidential to the extent necessary to comply with any applicable federal or state securities laws.
11.18 Waivers Of Jury Trial. EACH OF THE BORROWERS, THE GUARANTORS, THE ADMINISTRATIVE AGENT AND THE LENDERS HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVE TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT AND FOR ANY COUNTERCLAIM THEREIN.

11.19 USA Patriot Act Notification. Each Lender that is subject to the Patriot Act or the Beneficial Ownership Regulation and the Administrative Agent (for itself and not on behalf of any Lender) hereby notifies the Borrowers that pursuant to the requirements of the USA Patriot Act, it is required to obtain, verify and record information that identifies the Borrowers and each other Loan Party, which information includes the name and address of the Borrowers and each other Loan Party and other information that will allow such Lender or the Administrative Agent, as applicable, to identify the Borrowers and each other Loan Party in accordance with the Patriot Act. The Borrowers and each other Loan Party shall, promptly following a request by the Administrative Agent or any Lender, provide all documentation and other information that the Administrative Agent or such Lender requests in order to comply with its ongoing obligations under applicable “know your customer” and anti-money laundering rules and regulations, including the Patriot Act and the Beneficial Ownership Regulation.

11.20 Maximum Amount.

(a) It is the intention of the Borrowers and the Lenders to conform strictly to the usury and similar laws relating to interest from time to time in force, and all agreements between the Loan Parties and their respective Subsidiaries and the Lenders, whether now existing or hereafter arising and whether oral or written, are hereby expressly limited so that in no contingency or event whatsoever, whether by acceleration of maturity hereof or otherwise, shall the amount paid or agreed to be paid in the aggregate to the Lenders as interest (whether or not designated as interest, and including any amount otherwise designated but deemed to constitute interest by a court of competent jurisdiction) hereunder or under the other Loan Documents or in any other agreement given to secure the Indebtedness evidenced hereby or other Obligations of the Borrowers, or in any other document evidencing, securing or pertaining to the Indebtedness evidenced hereby, exceed the maximum amount permissible under applicable usury or such other laws (the “Maximum Amount”). If under any circumstances whatsoever fulfillment of any provision hereof, or any of the other Loan Documents, at the time performance of such provision shall be due, shall involve exceeding the Maximum Amount, then, ipso facto, the obligation to be fulfilled shall be reduced to the Maximum Amount. For the purposes of calculating the actual amount of interest paid and/or payable hereunder in respect of laws pertaining to usury or such other laws, all sums paid or agreed to be paid to the holder hereof for the use, forbearance or detention of the Indebtedness of the Borrowers evidenced hereby, outstanding from time to time shall, to the extent permitted by Applicable Law, be amortized, pro-rated, allocated and spread from the date of disbursement of the proceeds of the Loans until payment in full of all of such Indebtedness, so that the actual rate of interest on account of such Indebtedness is uniform through the term hereof. The terms and provisions of this Section 11.20(a) shall control and supersede every other provision of all agreements between the Borrowers or any endorser of the Loans and the Lenders.
If under any circumstances any Lender shall ever receive an amount which would exceed the Maximum Amount, such amount shall be deemed a payment in reduction of the principal amount of the Loans and shall be treated as a voluntary prepayment under Section 2.10 and shall be so applied in accordance with Section 2.17 or if such excessive interest exceeds the unpaid balance of the Loans and any other Indebtedness of the Borrowers in favor of such Lender, the excess shall be deemed to have been a payment made by mistake and shall be refunded to the Borrowers.

11.21 Lender Action. Each Lender agrees that it shall not take or institute any actions or proceedings, judicial or otherwise, for any right or remedy against any Loan Party or any other obligor under any of the Loan Documents (including, except as set forth in Section 11.8(b), the exercise of any right of setoff, rights on account of any banker’s lien or similar claim or other rights of self-help), or institute any actions or proceedings, or otherwise commence any remedial procedures, with respect to any Collateral or any other property of any such Loan Party, unless expressly provided for herein or in any other Loan Document, without the prior written consent of the Administrative Agent. The provisions of this Section 11.21 are for the sole benefit of the Lenders and shall not afford any right to, or constitute a defense available to, any Loan Party.

11.22 No Fiduciary Duty. Each of the Administrative Agent, the Joint Bookrunners, the Joint Lead Arrangers, the Incremental Facility Arrangers, each Lender and their Affiliates (collectively, solely for purposes of this paragraph, the “Lenders”), may have economic interests that conflict with those of the Loan Parties, their stockholders and/or their Affiliates. Each Loan Party agrees that nothing in the Loan Documents or otherwise will be deemed to create an advisory, fiduciary or agency relationship or fiduciary or other implied duty between any Lender, on the one hand, and such Loan Party, its stockholders or its Affiliates, on the other, except as otherwise explicitly provided herein. The Loan Parties acknowledge and agree that (i) the transactions contemplated by the Loan Documents (including the exercise of rights and remedies hereunder and thereunder) are arm’s-length commercial transactions between the Lenders, on the one hand, and the Loan Parties, on the other, and (ii) in connection therewith and with the process leading thereto, (x) no Lender has assumed an advisory or fiduciary responsibility in favor of any Loan Party, its stockholders or its Affiliates with respect to the transactions contemplated hereby (or the exercise of rights or remedies with respect thereto) or the process leading thereto (irrespective of whether any Lender has advised, is currently advising or will advise any Loan Party, its stockholders or its Affiliates on other matters) or any other obligation to any Loan Party except the obligations expressly set forth in the Loan Documents and (y) each Lender is acting solely as principal and not as the agent or fiduciary of any Loan Party, its management, stockholders, creditors or any other Person, except as otherwise explicitly provided herein. Each Loan Party acknowledges and agrees that it has consulted its own legal and financial advisors to the extent it deemed appropriate and that it is responsible for making its own independent judgment with respect to such transactions and the process leading thereto. Each Loan Party agrees that it will not claim that any Lender has rendered advisory services of any nature or respect, or owes a fiduciary or similar duty to such Loan Party, in connection with such transaction or the process leading thereto.
11.23 [Reserved].

11.24 Conduct of Business by the Lenders. No provision of this Agreement will (a) interfere with the right of any Lender to arrange its affairs (tax or otherwise) in whatever manner it thinks fit or (b) oblige any Lender to investigate or claim any credit, relief, remission or repayment available to it or the extent, order and manner of any claim.

11.25 Acknowledgment Regarding Any Supported QFCs. To the extent that the Loan Documents provide support, through a guarantee or otherwise, for any Swap Agreement or any other agreement or instrument that is a QFC (such support, “QFC Credit Support”, and each such QFC, a “Supported QFC”), the parties acknowledge and agree as follows with respect to the resolution power of the Federal Deposit Insurance Corporation under the Federal Deposit Insurance Act and Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act (together with the regulations promulgated thereunder, the “U.S. Special Resolution Regimes”) in respect of such Supported QFC and QFC Credit Support (with the provisions below applicable notwithstanding that the Loan Documents and any Supported QFC may in fact be stated to be governed by the laws of the State of New York and/or of the United States or any other state of the United States). In the event a Covered Entity that is party to a Supported QFC (each, a “Covered Party”) becomes subject to a proceeding under a U.S. Special Resolution Regime, the transfer of such Supported QFC and the benefit of such QFC Credit Support (and any interest and obligation in or under such Supported QFC and such QFC Credit Support, and any rights in property securing such Supported QFC or such QFC Credit Support) from such Covered Party will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if the Supported QFC and such QFC Credit Support (and any such interest, obligation and rights in property) were governed by the laws of the United States or a state of the United States. In the event a Covered Party or a BHC Act Affiliate of a Covered Party becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights under the Loan Documents that might otherwise apply to such Supported QFC or any QFC Credit Support that may be exercised against such Covered Party are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if the Supported QFC and the Loan Documents were governed by the laws of the United States or a state of the United States. Without limitation of the foregoing, it is understood and agreed that rights and remedies of the parties with respect to a Defaulting Lender shall in no event affect the rights of any Covered Party with respect to a Supported QFC or any QFC Credit Support.

SECTION 12.
CO-BORROWER ARRANGEMENTS AND BORROWER REPRESENTATIVE

12.1 Addition of Additional Revolving Borrowers. From time to time on or after the Closing Date, the Borrower Representative may designate one or more of the Restricted Subsidiaries as an “Additional Revolving Borrower” with respect to Revolving Borrowings under this Agreement; provided that such Restricted Subsidiary designated after the Closing Date shall not become an Additional Revolving Borrower hereunder unless and until each of the following has occurred:

255
(a) the Administrative Agent and the Revolving Lenders shall have received all documentation and other information that the Administrative Agent reasonably determines to be required by Governmental Authorities under applicable “know your customer” and anti-money laundering rules and regulations, including the Patriot Act;

(b) such Additional Revolving Borrower shall be organized in an Applicable Jurisdiction;

(c) such Additional Revolving Borrower shall have delivered to the Administrative Agent a duly authorized, executed and delivered counterpart signature page to a Borrower Joinder and a Guarantor Joinder Agreement; provided that such Borrower Joinder and, if necessary, such Guarantor Joinder Agreement will incorporate any provisions specific to the designated Additional Revolving Borrower’s jurisdiction of organization and applicable Laws of such jurisdiction of organization;

(d) the Additional Revolving Borrower shall have delivered to the Administrative Agent a duly authorized, executed and delivered Security Agreement pursuant to Section 6.9 or other security agreements executed and delivered pursuant to Section 6.9, Section 6.11, Section 6.15 or Schedule 1.1C (as such schedule may be amended or supplemented from time to time in accordance with the Agreed Security Principles), together with other deliverables reasonably required pursuant to such Section as applied to such Additional Revolving Borrower (it being understood and agreed that the Administrative Agent and the Borrower Representative may waive or modify any such requirements to the extent they deem in their mutual discretion such changes are necessary or appropriate under the circumstances taking into account the designated Additional Revolving Borrower’s jurisdiction of organization and applicable Laws);

(e) the Administrative Agent shall have received, on behalf of itself and the Lenders, an opinion of counsel (local and/or New York, depending on the circumstances and the relevant market standard), in form and substance reasonably satisfactory to the Administrative Agent with respect to the foregoing documents; and

(f) the Administrative Agent shall have received (i) a copy of the Organizational Documents, including all amendments thereto, of such designated Additional Revolving Borrower, certified, if applicable, as of a recent date by the Secretary of State or similar Governmental Authority of the jurisdiction of its organization, where applicable, and, if applicable, a certificate as to the good standing of such designated Additional Revolving Borrower as of a recent date, from such Secretary of State or similar Governmental Authority, and (ii) a certificate of the Secretary or Assistant Secretary (or, in lieu thereof, director(s) authorized to sign on behalf of the designated Additional Revolving Borrower) of such designated Additional Revolving Borrower certifying (A) that attached thereto is a true and complete copy of the Organizational Documents of such Person as in effect on the date of the Additional Revolving Borrower Joinder, (B) that attached thereto is a true and complete copy of resolutions duly adopted by the board of directors or shareholders (or equivalent governing body) of such Person authorizing the execution, delivery and performance of the Loan Documents and the borrowings thereunder and that such resolutions have not been modified, rescinded or amended and are in full force and effect, (C) that Organizational Documents of such Person have not been amended since the date of the last amendment thereto shown on the Organizational Documents furnished pursuant to clause (i) above, and (D) as to the incumbency and specimen signature of each officer executing any Loan Document on behalf of such Person and countersigned by another officer as to the incumbency and specimen signature of the Secretary, Assistant Secretary or director of such Person executing the certificate pursuant to clause (ii) above.
12.2 Status of Borrowers.

(a) An Additional Revolving Borrower designated in accordance with Section 12.1 shall be a “Revolving Borrower” and a “Borrower” under the Revolving Facility and will have the right to directly request Revolving Borrowings in accordance with Section 2 hereof until the earlier to occur of the Revolving Termination Date or the date on which such Additional Revolving Borrower terminates its obligations under this Agreement in accordance with Section 12.3 or the date on which such Additional Revolving Borrower is released from its obligations under the Loan Documents in accordance with this Agreement.

(b) Each Term Borrower hereby accepts joint and several liability hereunder with respect to the Term Loans and under the other Loan Documents in consideration of the financial accommodations with respect to the Term Loans to be provided by Lenders under this Agreement and the other Loan Documents, for the mutual benefit, directly and indirectly, of each Term Borrower and in consideration of the undertakings of each Term Borrower to accept joint and several liability for the Term Loans. Each Term Borrower, jointly and severally, hereby irrevocably and unconditionally accepts, not merely as a surety but also as a co-debtor, joint and several liability with each other such Term Borrower, with respect to the payment of the Term Loans, it being the intention of the parties hereto that the Term Loans shall be the joint and several obligations of the Term Borrowers without preferences or distinction among them. If and to the extent that any of the Term Borrowers shall fail to make any payment with respect to any of the Term Loans as and when due, then in each such event each other Term Borrower will make such payment with respect to the Term Loans.

(c) For the avoidance of doubt, each Additional Revolving Borrower shall be liable solely for its direct Revolving Borrowings and interest and any Letter of Credit fees in respect of Letters of Credit requested by such Additional Revolving Borrower and any reimbursement obligations to the Administrative Agent, the Swingline Lender, the Issuing Lenders and the Lenders that may arise in respect of the foregoing, and no Additional Revolving Borrower in its capacity as such shall have any direct liability whatsoever for any of the Obligations of the Borrowers or any other Additional Revolving Borrower. Notwithstanding the term “Additional Revolving Borrower”, which is used for convenience only, under no circumstance shall any Additional Revolving Borrower in its capacity as such be deemed to be jointly and severally liable for the Obligations of any other Loan Party under any Loan Document. Notwithstanding anything to the contrary set forth in this Section 12.2(c), this Section 12.2(c) shall in no way limit the obligations of such Additional Revolving Borrower under the Guarantee.

12.3 Resignation of Additional Revolving Borrowers. An Additional Revolving Borrower may elect to terminate its eligibility to request Borrowings and to cease to be an Additional Revolving Borrower hereunder upon the occurrence of, and such resignation shall be effective upon, all of the following:

(a) such resigning Additional Revolving Borrower shall have paid in full in cash all of its direct Obligations under the Revolving Facility; and
such resigning Additional Revolving Borrower shall have delivered to the Administrative Agent a notice of resignation in form and substance reasonably satisfactory to the Administrative Agent; provided, however, that such resignation shall not, to the extent applicable, have any impact on such Person’s obligations as a Subsidiary Guarantor and such obligations, to the extent applicable, shall continue to be effective in accordance with Section 8 of this Agreement and the other provisions and undertakings hereunder related thereto.

12.4 Appointment of Borrower Representative; Nature of Relationship. On the Closing Date, Camelot U.S. Acquisition I Co., a Delaware corporation, is hereby appointed by each of the other Borrowers as its contractual representative and after the Closing Date, the Borrowers may appoint a different or additional contractual representative, subject to the Administrative Agent’s consent (such consent not be unreasonably withheld or delayed) (herein referred to as the “Borrower Representative”) hereunder and under each other Loan Document, and each of the other Borrowers irrevocably authorizes the Borrower Representative to act as the contractual representative of such Borrower with the rights and duties expressly set forth herein and in the other Loan Documents.

The Borrower Representative agrees to act as such contractual representative upon the express conditions contained in this Section 12. Additionally, the Borrowers hereby appoint the Borrower Representative as their agent to receive and direct all of the proceeds of the Loans, at which time the Borrower Representative shall promptly disburse such Loans to the appropriate Borrower. None of the Revolving Lenders or their respective officers, directors, agents or employees shall be liable to the Borrower Representative or any Borrower for any action taken or omitted to be taken by the Borrower Representative or the other Borrowers pursuant to this Section 12.4.

12.5 Powers. The Borrower Representative shall have and may exercise such powers under the Loan Documents as are specifically delegated to the Borrower Representative by the terms of each thereof, together with such powers as are reasonably incidental thereto. The Borrower Representative shall have no implied duties to the other Borrowers, or any obligation to the Lenders to take any action thereunder except any action specifically provided by the Loan Documents to be taken by the Borrower Representative.

12.6 Employment of Agents. The Borrower Representative may execute any of its duties as the Borrower Representative hereunder and under any other Loan Document by or through its Responsible Officers.

12.7 Execution of Loan Documents. The other Borrowers hereby empower and authorize the Borrower Representative, on behalf of such Borrowers, to execute and deliver to the Administrative Agent and the Lenders the Loan Documents and all related agreements, certificates, documents, or instruments as shall be necessary or appropriate to effect the purposes of the Loan Documents. Each Borrower agrees that any action taken by the Borrower Representative or the Borrowers in accordance with the terms of this Agreement or the other Loan Documents, and the exercise by the Borrower Representative of its powers set forth therein or herein, together with such other powers that are reasonably incidental thereto, shall be binding upon all of the Borrowers.
Shares subject to the Option will have a per Share exercise price equal to ____ per Share (the “Second Tranche”)

Shares subject to the Option will have a per Share exercise price equal to ____ per Share (the “Third Tranche”)

Shares subject to the Option will have a per Share exercise price equal to ____ per Share (the “Fourth Tranche”)

Grant Date:

Type of Option: Non-Qualified Option

Final Expiration Date:

Vesting Schedule: The Option will vest and become exercisable in accordance with the vesting schedule set forth in Appendix A.

[signature page to follow]
Your signature below indicates your agreement and understanding that the Option is subject to all of the terms and conditions contained in the Agreement (including this Grant Notice and Appendix A to the Agreement) and the Plan.

CAMELOT HOLDINGS (JERSEY) LIMITED

By ____________________________________________
Name: ________________________________________
Title: _________________________________________

OPTIONEE

__________________________________________________

__________________________________________________

__________________________________________________
APPENDIX A TO OPTION AGREEMENT

ARTICLE I.

GRANT OF OPTION

Section 1.1 Grant of Option. The Company has granted to the Optionee the Option, upon the terms and conditions set forth in the Plan and this Agreement (including the Grant Notice and this Appendix A).

Section 1.2 Option Subject to Plan. The Option is subject to the terms and provisions of the Plan, which are incorporated herein by reference.

Section 1.3 Exercise Price. The Exercise Price of a Share covered by the Option shall be the Exercise Price per Share as set forth in the Grant Notice.

ARTICLE II.

VESTING SCHEDULE; EXERCISABILITY

Section 2.1 Vesting and Exercisability of Options.

(a) Vesting. Except as provided below, the Options shall become vested and exercisable, so long as the Optionee remains continuously a Service Provider from the date hereof through each applicable date set forth below, as follows:

(i) 20% of each of the First Tranche, the Second Tranche, the Third Tranche and the Fourth Tranche shall become vested and exercisable on the First Vesting Date;

(ii) 20% of each of the First Tranche, the Second Tranche, the Third Tranche and the Fourth Tranche shall become vested and exercisable on the first anniversary of the First Vesting Date;

(iii) 20% of each of the First Tranche, the Second Tranche, the Third Tranche and the Fourth Tranche shall become vested and exercisable on the second anniversary of the First Vesting Date;

(iv) 20% of each of the First Tranche, the Second Tranche, the Third Tranche and the Fourth Tranche shall become vested and exercisable on the third anniversary of the First Vesting Date; and

(v) 20% of each of the First Tranche, the Second Tranche, the Third Tranche and the Fourth Tranche shall become vested and exercisable on the fourth anniversary of the First Vesting Date.

(b) Liquidity Event Vesting. Any unvested portion of the Option will vest immediately prior to the occurrence of a Liquidity Event, provided that the Optionee remains continuously in service as a Service Provider through the date of such Liquidity Event.

Section 2.2 No Vesting of Options; Forfeiture. Notwithstanding any other provision to the contrary in this Agreement, unless otherwise determined by the Administrator, any portion of the Option that has not become vested on or prior to the date of the Optionee’s Termination of Service shall be terminated without consideration on the date of the Optionee’s Termination of Service and shall not thereafter become vested or exercisable.

A-1
Section 2.3  **Exercisability of the Option.** The Optionee shall not have the right to exercise the Option until the date the applicable portion of the Option becomes vested. The date that the applicable portion of the Option becomes vested is referred to herein as the “Exercise Commencement Date.” Subject to Section 8 of the Plan, following the Exercise Commencement Date, the applicable portion of the Option shall be and shall remain exercisable until it becomes unexercisable. Once the Option becomes unexercisable, it shall be immediately terminated without consideration.

Section 2.4  **Expiration of Option.** The Option may not be exercised to any extent by anyone after the first to occur of the following events:

(a) The Final Expiration Date;

(b) Except for such longer period of time as the Administrator may otherwise approve, 90 days following the Optionee’s Termination of Service for any reason other than Optionee’s death, Disability or termination for Cause;

(c) Except as the Administrator may otherwise approve, the Optionee’s Termination of Service for Cause; or

(d) Except for such longer period of time as the Administrator may otherwise approve, twelve (12) months following the Optionee’s Termination of Service by reason of the Optionee’s death or Disability.

Section 2.5  **Partial Exercise.** Any exercisable portion of the Option or the entire Option, if then wholly exercisable, may be exercised in whole or in part at any time prior to the time when the Option or portion thereof becomes unexercisable.

Section 2.6  **Exercise of Option.** The exercise of the Option shall be governed by the terms of this Agreement and the terms of the Plan.

Section 2.7  **Manner of Exercise.** Unless determined otherwise by the Administrator, as a condition to the exercise of the Option, the Optionee shall (i) notify the Company at least 30 days prior to exercise and no earlier than 90 days prior to exercise that the Optionee intends to exercise and (ii) concurrently with the exercise of the Option, execute the Shareholders Agreement, unless the Optionee has already executed the Shareholders Agreement. Clause (i) of the foregoing sentence shall not apply if the Shares underlying the Option are registered on Form S-8.

**ARTICLE III.**

**OTHER PROVISIONS**

Section 3.1  **Optionee Representation; Not a Contract of Service.** The Optionee hereby represents that the Optionee’s execution of this Agreement and participation in the Plan is voluntary and that the Optionee has in no way been induced to enter into this Agreement in exchange for or as a requirement of the expectation of service with the Company or any of its parents and subsidiaries. Nothing in this Agreement or in the Plan shall confer upon the Optionee any right to continue as a Service Provider or shall interfere with or restrict in any way the rights of the Company or its parents and subsidiaries, which are hereby expressly reserved, to discharge the Optionee at any time for any reason whatsoever, with or without Cause except pursuant to an employment or consulting agreement executed by and between the Company and the Optionee and approved by the Board.
Section 3.2 Prohibited Activities. In consideration of and as a condition to the grant of the Option, the Optionee agrees to the following covenants:

(a) Nondisclosure of Proprietary Information.

(i) Except in connection with the faithful performance of Optionee’s duties as a Service Provider or pursuant to Section 3.2(a)(iii) or Section 3.2(a)(iv), Optionee shall, in perpetuity, maintain in confidence and shall not directly, indirectly or otherwise, use, disseminate, disclose or publish, or use for Optionee’s benefit or the benefit of any person, firm, corporation or other entity (other than the Company) any confidential or proprietary information or trade secrets of or relating to the Company (including, without limitation, business plans, business strategies and methods, acquisition targets, intellectual property in the form of patents, trademarks and copyrights and applications therefor, ideas, inventions, works, discoveries, improvements, information, documents, formulae, practices, processes, methods, developments, source code, modifications, technology, techniques, data, programs, other know-how or materials, owned, developed or possessed by the Company, whether in tangible or intangible form, information with respect to the Company’s operations, processes, products, inventions, business practices, finances, principals, vendors, suppliers, customers, potential customers, marketing methods, costs, prices, contractual relationships, regulatory status, prospects and compensation paid to employees or other terms of employment) (collectively, the “Confidential Information”), or deliver to any person, firm, corporation or other entity any document, record, notebook, computer program or similar repository of or containing any such Confidential Information. The Optionee and the Company hereby stipulate and agree that, as between them, any item of Confidential Information is important, material and confidential and affects the successful conduct of the businesses of the Company (and any successor or assignee of the Company). Notwithstanding the foregoing, Confidential Information shall not include any information that (i) has been published or is in the future published in a form generally available to the public, (ii) is or becomes publicly available or (iii) has become or becomes public knowledge prior to the date Optionee proposes to disclose or use such information, provided, that such publishing or public availability or knowledge of the Confidential Information shall not have resulted from Optionee directly or indirectly breaching Optionee’s obligations under this Section 3.2(a) or any other similar provision by which Optionee is bound. For the purposes of the previous sentence, Confidential Information will not be deemed to have been published or otherwise disclosed merely because individual portions of the information have been separately published, but only if material features comprising such information have been published or become publicly available.

(ii) Upon the Optionee’s Termination of Service for any reason, Optionee will promptly deliver to the Company all correspondence, drawings, manuals, letters, notes, notebooks, reports, programs, plans, proposals, financial documents, or any other documents or property concerning the Company’s customers, business plans, marketing strategies, products, property or processes.

(iii) Optionee may respond to a lawful and valid subpoena or other legal process but shall (i) give the Company the earliest possible notice thereof, (ii) as much in advance of the return date as possible, make available to the Company and its counsel the documents and other information sought and (iii) assist such counsel at Company’s expense in resisting or otherwise responding to such process, in each case to the extent permitted by applicable laws or rules.
(iv) Nothing in this Agreement shall prohibit Optionee from (i) disclosing information and documents when required by law, subpoena or court order (subject to the requirements of Section 3.2(a)(iii) above), (ii) disclosing information and documents to Optionee’s attorney, financial or tax adviser for the purpose of securing legal, financial or tax advice, (iii) disclosing Optionee’s post-service restrictions in this Agreement in confidence to any potential new service recipient, or (iv) retaining, at any time, Optionee’s personal correspondence, Optionee’s personal contacts and documents related to Optionee’s own personal benefits, entitlements and obligations.

(b) Inventions. All rights to discoveries, inventions, improvements and innovations (including all data and records pertaining thereto) related to the business of the Company, whether or not patentable, copyrightable, registrable as a trademark, or reduced to writing, that Optionee may discover, invent or originate during period in which Optionee is a Service Provider (the “Term”), either alone or with others and whether or not during working hours or by the use of the facilities of the Company (“Inventions”), shall be the exclusive property of the Company. Optionee shall promptly disclose all Inventions to the Company, shall execute at the request of the Company any assignments or other documents the Company may deem reasonably necessary to protect or perfect its rights therein, and shall assist the Company, upon reasonable request and at the Company’s expense, in obtaining, defending and enforcing the Company’s rights therein. Optionee hereby appoints the Company as Optionee’s attorney-in-fact to execute on Optionee’s behalf any assignments or other documents reasonably deemed necessary by the Company to protect or perfect its rights to any Inventions.

(c) Non-Competition.

(i) Optionee agrees that during the Restriction Period, Optionee will not, directly or indirectly, individually or through an entity, as an owner, part owner, partner, employee, agent or otherwise:

(A) provide to a Competitive Enterprise the same or similar services that Optionee performed during Optionee’s service as a Service Provider. A "Competitive Enterprise" means (x) any business that provides intellectual property services and consulting, or provides information solutions to assist professionals and other clients in research and development and/or seeking to extract value from their intellectual assets; and/or (y) any business that provides services or engages in any other business activities similar to any of those provided or engaged in by the Company now or in the future; or

(B) sell, attempt to sell, or directly or indirectly assist in the effort of anyone else who sells or attempts to sell, any products or services that are competitive with any products or services offered by the Company and for which Optionee gained knowledge of during Optionee’s service as a Service Provider; or

(C) act in any capacity for another entity or engage in any conduct if in such capacity or due to such conduct Optionee would reasonably be expected to use and/or disclose any of the Company’s trade secrets or Confidential Information; or

(D) interfere with, disrupt or attempt to interfere with or disrupt relations between the Company and any of its customers, employees, consultants, suppliers or vendors; or

(E) own more than 5% of a Competitive Enterprise.

Notwithstanding anything in this Section 3.2(c) to the contrary, nothing herein shall prohibit Optionee from becoming employed exclusively in or providing services to a non-competitive division or subsidiary of an enterprise whose other divisions and/or subsidiaries may compete with the Company, so long as Optionee does not provide any services to or provide any assistance or advice to the competitive division or subsidiary.
Because of the global nature of the Company’s business, it is agreed that the restrictions set forth above shall apply in the geographic regions that Optionee worked in and was responsible for while Optionee was a Service Provider, and any other geographic area (country, province, state, city or other political subdivision) in which the Company is engaged in, or was developing plans to engage in, business or is otherwise selling products or services at the time Optionee incurred a Termination of Service.

In the event the terms of this Section 3.2(c) shall be determined by any court of competent jurisdiction to be unenforceable by reason of its extending for too great a period of time or over too great a geographical area or by reason of its being too extensive in any other respect, it will be interpreted to extend only over the maximum period of time for which it may be enforceable, over the maximum geographical area as to which it may be enforceable, or to the maximum extent in all other respects as to which it may be enforceable, all as determined by such court in such action.

Non-Solicitation Of Customers. Optionee agrees that while the Optionee is a Service Provider, Optionee will have contact with and become aware of some, most or all of the Company’s customers, representatives of those customers, their names and addresses, specific customer needs and requirements, and leads and references to prospective customers. Optionee further agrees that loss of such customers will cause the Company great and irreparable harm. Optionee agrees that during the Restriction Period, Optionee will not directly or indirectly solicit, contact, call upon, communicate with or attempt to communicate with any customer, former customer, or prospective customer of the Company for the purpose of providing or obtaining any product or service reasonably deemed competitive with any product or service then offered by the Company. This restriction shall apply only to: (i) any customer, former customer, or prospective customer of the Company with whom Optionee had contact during the last twelve months of Optionee’s service as a Service Provider, or (ii) any customer, former customer, or prospective customer of the Company about which Optionee had access to the Company’s trade secrets or confidential information, concerning such customer, former customer or prospective customer during the last twelve months of employment with the Company. For the purposes of Section 3.2(d), “contact” means any interaction whatsoever between Optionee and the customer, former customer, or prospective customer which takes place to further a business relationship.

Non-Solicitation of Employees. Optionee agrees that during the Restriction Period, Optionee will not directly or indirectly recruit, hire or attempt to recruit or hire any employee of the Company with whom the Company had contact during the period in which Optionee was a Service Provider. For the purposes of this Section 3.2(e), “contact” means any interaction whatsoever between Optionee and the other employee.

Non-Disparagement. The Optionee agrees, during the Term and following the Optionee’s Termination of Service, to refrain from Disparaging (as defined below) the Company and its affiliates, including, without limitation, any of the Company’s services, technologies or practices, or any of its directors, officers, agents, representatives or stockholders, either orally or in writing. Nothing in this paragraph shall preclude Optionee from making truthful statements that are reasonably necessary to comply with applicable law, regulation or legal process, or to defend or enforce Optionee’s rights under this Agreement. For purposes of this Agreement, “Disparaging” means making remarks, comments or statements, whether written or oral, that impugn the character, integrity, reputation or abilities of the person being disparaged.
As used in this Section 3.2, the term “Restriction Period” shall have the meaning set forth in Optionee’s employment, service, severance or other similar contract or agreement with the Company, or, if there is no such agreement or contract containing a definition of Restriction Period, the twelve (12) month period after the Optionee’s Termination of Service for any reason.

Section 3.3 Application of Plan and Shareholders Agreement. The Optionee acknowledges that the Option and any Shares acquired upon exercise of the Option are subject to the terms of the Plan and the Shareholders Agreement. In the event of a conflict between the terms of this Agreement and the Plan or the Shareholders Agreement, the terms of the Plan or Shareholders Agreement, as applicable, will control.

Section 3.4 Construction. This Agreement shall be administered, interpreted and enforced under the laws of the state of Delaware, disregarding choice-of-law principles of the law of any state that would require the application of the laws of a jurisdiction other than such state.

ARTICLE IV.
DEFINITIONS

Whenever the following terms are used in this Agreement (including the Grant Notice), they shall have the meaning specified below unless the context clearly indicates to the contrary. Capitalized terms used in this Agreement and not defined below shall have the meaning given such terms in the Plan. The singular pronoun shall include the plural, where the context so indicates.

Section 4.1 Exercise Price. “Exercise Price” shall mean the exercise price per Share set forth in the Grant Notice.

Section 4.2 Final Expiration Date. “Final Expiration Date” shall mean the final expiration date set forth in the Grant Notice.

Section 4.3 First Vesting Date. “First Vesting Date” shall mean _____.

Section 4.4 Grant Date. “Grant Date” shall be the grant date set forth in the Grant Notice.

Section 4.5 Grant Notice. “Grant Notice” shall mean the Grant Notice to which this Appendix A is attached, which Grant Notice is for all purposes a part of the Agreement.

Section 4.6 Option. “Option” shall mean the option to purchase Shares granted under this Agreement.

Section 4.7 Optionee. “Optionee” shall be the Person designated as such in the Grant Notice.

Section 4.8 Plan. “Plan” shall mean the Camelot Holdings (Jersey) Limited 2016 Equity Incentive Plan.

Section 4.9 Share. “Share” shall mean an ordinary share of $0.01 each in the capital of the Company and any shares or other securities into or for which such shares are hereafter converted or exchanged.

* * *

(Back To Top)

Section 5: EX-10.17 (EXHIBIT 10.17)

Capitalized terms not specifically defined in this Restricted Share Unit Grant Notice (the “Grant Notice”) have the meanings given to them in the 2019 Incentive Award Plan (as amended from time to time, the “Plan”) of Clarivate Analytics Plc (the “Company”).

The Company has granted to the participant listed below (“Participant”) the Restricted Share Units described in this Grant Notice (the “RSUs”), subject to the terms and conditions of the Plan and the Restricted Share Unit Agreement attached as Exhibit A (the “Agreement”), both of which are incorporated into this Grant Notice by reference.

Participant:

CLARIVATE ANALYTICS PLC
2019 INCENTIVE AWARD PLAN

RESTRICTED SHARE UNIT GRANT NOTICE

Exhibit 10.17
By Participant’s signature below, Participant agrees to be bound by the terms of this Grant Notice, the Plan and the Agreement. Participant has reviewed the Plan, this Grant Notice and the Agreement in their entirety, has had an opportunity to obtain the advice of counsel prior to executing this Grant Notice and fully understands all provisions of the Plan, this Grant Notice and the Agreement. Participant hereby agrees to accept as final and binding all decisions or interpretations of the Administrator upon any questions arising under the Plan, this Grant Notice or the Agreement.

Subject to the terms of the Agreement, including the Participant’s continued employment with the Company through each applicable vesting date, the RSUs shall vest as follows:

<table>
<thead>
<tr>
<th>Number of RSUs</th>
<th>Vesting Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>___</td>
<td>___</td>
</tr>
</tbody>
</table>

By Participant’s signature below, Participant agrees to be bound by the terms of this Grant Notice, the Plan and the Agreement. Participant has reviewed the Plan, this Grant Notice and the Agreement in their entirety, has had an opportunity to obtain the advice of counsel prior to executing this Grant Notice and fully understands all provisions of the Plan, this Grant Notice and the Agreement. Participant hereby agrees to accept as final and binding all decisions or interpretations of the Administrator upon any questions arising under the Plan, this Grant Notice or the Agreement.

CLARIVATE ANALYTICS PLC

By:

Name: Jerre Stead
Title: Executive Chairman & CEO

PARTICIPANT

By:

[Participant Name]
RESTRICTED SHARE UNIT AGREEMENT

Capitalized terms not specifically defined in this Agreement have the meanings specified in the Grant Notice or, if not defined in the Grant Notice, in the Plan.

ARTICLE I.
GENERAL

Section 1.1 Award of RSUs and Dividend Equivalents.

(a) The Company has granted the RSUs to Participant effective as of the grant date set forth in the Grant Notice (the “Grant Date”). Each RSU represents the right to receive one Share as set forth in this Agreement. Participant will have no right to the distribution of any Shares until the time (if ever) the RSUs have vested.

(b) The Company hereby grants to Participant, with respect to each RSU, a Dividend Equivalent for ordinary cash or Share dividends paid to substantially all holders of outstanding Shares with a record date after the Grant Date and prior to the date the applicable RSU is settled, forfeited, or otherwise expires. Each Dividend Equivalent entitles Participant to receive the equivalent value of any such ordinary cash or Share dividend paid on a single Share. Dividend Equivalents shall be paid in the form of Shares to Participant on the date on which the Shares underlying the RSUs are distributed to Participant; provided that no Dividend Equivalents shall be payable with respect to any RSUs that are forfeited. In the case of ordinary Share dividends, the number of Dividend Equivalents will equal the number of Shares Participant would have received on the applicable dividend payment date with respect to the number of Shares underlying the unvested RSUs on such date. In the case of ordinary cash dividends, the number of Dividend Equivalents will equal the number of Shares the Participant would have received if the amount of cash was reinvested in Shares on the applicable dividend payment date with respect to the number of Shares underlying the unvested RSUs on such date. Dividend Equivalents will vest or be forfeited, as applicable, upon the vesting or forfeiture of the RSU with respect to which the Dividend Equivalent relates.

Section 1.2 No Rights as a Shareholder. Participant shall have no voting rights or any other rights as a shareholder of the Company with respect to the RSUs unless and until Participant becomes the record owner of the Shares underlying the RSUs.

Section 1.3 Incorporation of Terms of Plan. The RSUs are subject to the terms and conditions set forth in this Agreement and the Plan, which is incorporated herein by reference. In the event of any inconsistency between the Plan and this Agreement, the terms of the Plan will control.

Section 1.4 Unsecured Promise. The RSUs and Dividend Equivalents will at all times prior to settlement represent an unsecured Company obligation payable only from the Company’s general assets.

ARTICLE II.
VESTING; FORFEITURE AND SETTLEMENT

Section 2.1 Vesting; Forfeiture. The RSUs will vest according to the vesting schedule in the Grant Notice, except that any fraction of an RSU that would otherwise be vested will be accumulated and will vest only when a whole RSU has accumulated. In the event of Participant’s Termination of Service for any reason other than Participant’s death or Disability, all unvested RSUs will immediately and automatically be cancelled and forfeited, except as otherwise determined by the Administrator or provided in a binding written agreement between Participant and the Company. In the event of Participant’s Termination of Service due to death or Disability, all unvested RSUs shall become immediately vested in full and all restrictions shall lapse upon such Termination of Service. Notwithstanding the foregoing, in the event of the Participant’s Termination of Service by the Company or any Subsidiary for Cause, the Administrator, in its discretion, may immediately and automatically cancel all vested RSUs for no consideration and, in such event, any Shares or any amounts or benefits arising from the RSUs held by the Participant shall be returned to the Company.
Settlement.

(a) RSUs and Dividend Equivalents (including any Dividend Equivalent Account balance) will be paid in Shares at the Company’s option as soon as administratively practicable after the vesting of the applicable RSU, but in no event more than sixty (60) days after the RSU’s vesting date. Notwithstanding the foregoing, the Company may delay any payment under this Agreement that the Company reasonably determines would violate Applicable Laws until the earliest date the Company reasonably determines the making of the payment will not cause such a violation (in accordance with Treasury Regulation Section 1.409A-2(b)(7)(ii)); provided the Company reasonably believes the delay will not result in the imposition of any additional taxes under Section 409A.

ARTICLE III.
TAXATION AND TAX WITHHOLDING

Section 3.1 Representation. The Participant is hereby advised to consult with the Participant’s own tax advisors in respect of any tax consequences arising in connection with the RSUs and the Dividend Equivalents.

Section 3.2 Tax Withholding.

(a) The Company has the right to withhold any applicable federal, state and local tax that becomes due with respect to the RSUs and the Dividend Equivalents and take such action as it deems appropriate to ensure that all applicable withholding, income or other taxes are withheld or collected from the Participant.

(b) Participant acknowledges that Participant is ultimately liable and responsible for all taxes owed in connection with the RSUs and the Dividend Equivalents, regardless of any action the Company or any Subsidiary takes with respect to any tax withholding obligations that arise in connection with the RSUs or Dividend Equivalents. Neither the Company nor any Subsidiary makes any representation or undertaking regarding the treatment of any tax withholding in connection with the awarding, vesting, settlement or payment of the RSUs or the Dividend Equivalents or the subsequent sale of Shares. The Company and the Subsidiaries do not commit and are under no obligation to structure the RSUs or Dividend Equivalents to reduce or eliminate Participant’s tax liability.

ARTICLE IV.
OTHER PROVISIONS

Section 4.1 Prohibited Activities. Participant acknowledges and agrees that the Company and its Subsidiaries are engaged in the highly competitive business of intellectual property services and consulting, as well as providing information solutions to assist professionals at every stage of research and development and ensure they maintain and extract maximum value from their intellectual assets. The Company’s and its Subsidiaries’ involvement in these businesses has required and continues to require the expenditure of substantial amounts of money and the use of skills developed over long periods of time. As a result of these investments of money, skill and time, the Company and its Subsidiaries have developed and will continue to develop certain valuable Trade Secrets and Confidential Information (each as defined below) that are unique to the Company’s and its Subsidiaries’ businesses and the disclosure of which would cause the Company and its Subsidiaries great and irreparable harm. These investments also give the Company and its Subsidiaries a competitive advantage over companies that have not made comparable investments and that otherwise have not been as successful as the Company and its Subsidiaries in developing their businesses. Participant acknowledges and agrees that given Participant’s position and resultant responsibilities with the Company and its Subsidiaries and Participant’s access to Trade Secrets and Confidential Information, Participant has or will become intertwined with the goodwill the Company and its Subsidiaries have developed, cultivated and maintained within its highly competitive industry and with its customers and prospective customers and that Participant’s engaging in any business that is directly competitive with the Company and its Subsidiaries would cause it great and irreparable harm. Accordingly and in consideration of and as a condition to the grant of the RSUs, Participant agrees to the following covenants set forth in this Section 4.1. Subject to Section 4.2, the Participant’s breach of any of the covenants contained in this Section 4.1 or any non-competition, non-solicitation, confidentiality, non-disparagement, assignment of inventions or other intellectual property agreement to which the Participant may be a party with the Company or any Subsidiary, in addition to whatever other equitable relief or monetary damages to which the Company or any Subsidiary may be entitled, shall result in automatic rescission, forfeiture, cancellation or return of any Shares (whether or not vested) and any amounts or benefits arising from this Award held by the Participant.
Nondisclosure of Proprietary Information.

(i) Except in connection with the faithful performance of Participant’s duties as a Service Provider or pursuant to Section 4.1(a)(iii), Section 4.1(a)(iv) or Section 4.2, Participant shall, in perpetuity, maintain in confidence and shall not directly, indirectly or otherwise, use, disseminate, disclose or publish, or use for Participant’s benefit or the benefit of any person, firm, corporation or other entity (other than the Company or any Subsidiary) any Confidential Information or Trade Secrets, or deliver to any person, firm, corporation or other entity any document, record, notebook, computer program or similar repository of or containing any such Confidential Information or Trade Secrets. For purposes of this Agreement, “Confidential Information” shall mean information that the Company or its Subsidiaries have obtained in connection with its present or planned business, including information Participant developed in the performance of Participant’s service as a Service Provider, the disclosure of which could result in a competitive or other disadvantage to the Company or its Subsidiaries. “Confidential Information” includes some of the Company’s and its Subsidiaries’ most valuable assets, such as: innovations, inventions and ideas, including patentable or copyrightable subject matter; pricing policies; business plans and outlooks; brand formulations; nonpublic financial results; new product developments or plans; customer lists; author or consultant contracts; subscription lists; software or computer programs; merger, acquisition or divestiture plans; personnel acquisition plans or major management changes; and Trade Secrets (as defined below). Confidential Information includes all information received by the Company or its Subsidiaries under an obligation of confidentiality to another person or entity. The Participant and the Company and its Subsidiaries hereby stipulate and agree that, as between them, any item of Confidential Information or Trade Secrets is important, material and confidential and affects the successful conduct of the businesses of the Company and its Subsidiaries (and any successor or assignee of the Company and its Subsidiaries). Notwithstanding the foregoing, Confidential Information shall not include any information that (i) has been published or is in the future published in a form generally available to the public, (ii) is or becomes publicly available or (iii) has become or becomes public knowledge prior to the date Participant proposes to disclose or use such information; provided that such publishing or public availability or knowledge of the Confidential Information shall not have resulted from Participant directly or indirectly breaching Participant’s obligations under this Section 4.1(a) or any other similar provision by which Participant is bound. For the purposes of the previous sentence, Confidential Information will not be deemed to have been published or otherwise disclosed merely because individual portions of the information have been separately published, but only if material features comprising such information have been published or become publicly available. For purposes of this Agreement, “Trade Secrets” shall mean all forms and types of financial, business, scientific, technical, economic or engineering information, including patterns, plans, compilations, program devices, formulas, designs, prototypes, methods, techniques, processes, procedures, programs or codes, whether tangible or intangible, and whether or how stored, compiled or memorialized physically, electronically, graphically, photographically or in writing by the Company or its Subsidiaries. The Company confirms, and Participant understands, that the Company or a Subsidiary is the owner of its Trade Secrets, that the Company or its Subsidiary has taken reasonable steps, under the circumstances, to protect and maintain the secrecy of its Trade Secrets, and that the Company or its Subsidiary derives economic value, both tangible and intangible, from its Trade Secrets.
(ii) Upon the Participant’s Termination of Service for any reason, Participant will promptly deliver to the Company all correspondence, drawings, manuals, letters, notes, notebooks, reports, programs, plans, proposals, financial documents, or any other documents or property concerning the Company’s or any Subsidiary’s customers, business plans, marketing strategies, products, property or processes.

(iii) Participant may respond to a lawful and valid subpoena or other legal process but shall (i) give the Company the earliest possible notice thereof, (ii) as much in advance of the return date as possible, make available to the Company and its counsel the documents and other information sought and (iii) assist such counsel at the Company’s expense in resisting or otherwise responding to such process, in each case, to the extent permitted by Applicable Laws or rules.

(iv) Nothing in this Agreement shall prohibit Participant from (i) disclosing information and documents when required by law, subpoena or court order (subject to the requirements of Section 4.1(a)(iii) above), (ii) disclosing information and documents to Participant’s attorney or financial or tax advisor for the purpose of securing legal, financial or tax advice, (iii) disclosing Participant’s post-service restrictions in this Agreement in confidence to any potential new service recipient, or (iv) retaining, at any time, Participant’s personal correspondence, Participant’s personal contacts and documents related to Participant’s own personal benefits, entitlements and obligations.

(b) Inventions. All rights to discoveries, inventions, improvements, innovations, ideas, designs, copyrightable materials, trademarks, and other technology and rights (including all data and records pertaining thereto) related to the business of the Company or any Subsidiary, whether or not patentable, copyrightable, registrable as a trademark, or reduced to writing, that Participant may discover, invent or originate either alone or with others and whether or not during working hours or by the use of the facilities of the Company or any Subsidiary during the period in which Participant is a Service Provider (the “Term”), and if based on Confidential Information, after the Term (“Inventions”), shall be the exclusive property of the Company and, to the maximum extent permitted by Applicable Laws, shall be deemed “works made for hire” as the term is used in the United States Copyright Act or other Applicable Laws. To the extent that any Invention is not deemed a “work made for hire” or Participant otherwise retains any right, title or interest with respect to any Invention, Participant hereby irrevocably assigns and otherwise transfers to the Company the entire worldwide right, title, and interest in and to such Inventions. Participant shall promptly disclose all such Inventions to the Company and shall execute at the Company’s request any assignments or other documents the Company may deem reasonably necessary to protect or perfect its rights therein. Upon reasonable request, Participant shall assist the Company, at the Company’s expense (but without further or additional compensation), in obtaining, defending and enforcing the Company’s rights in the Inventions. Participant hereby appoints the Company as Participant’s attorney-in-fact to execute on Participant’s behalf any assignments or other documents reasonably deemed necessary by the Company to protect or perfect its rights to any Inventions.
Non-Competition and Non-Solicitation. Participant acknowledges and agrees that Participant will be subject to the covenants as set forth in the non-competition and non-solicitation agreement entered into by and between Participant and the Company or its Subsidiary (the “Non-Competition and Non-Solicitation Agreement”), which is incorporated herein by reference. Notwithstanding the foregoing, if Participant is a resident of any jurisdiction where the covenants contained in the Non-Competition and Non-Solicitation Agreement are not enforceable against Participant or are void as a matter of law, in each case, under Applicable Laws of such jurisdiction, Participant shall not be subject to such covenants contained in the Non-Competition and Non-Solicitation Agreement.

Non-Disparagement. Subject to Section 4.2, the Participant agrees, during the Term and following the Participant’s Termination of Service, to refrain from Disparaging (as defined below) the Company and its Subsidiaries, including, without limitation, any of the Company’s services, technologies or practices, or any of their directors, officers, agents, representatives or stockholders, either orally or in writing. Nothing in this paragraph shall preclude Participant from making truthful statements that are reasonably necessary to comply with Applicable Laws, regulation or legal process, or to defend or enforce Participant’s rights under this Agreement. For purposes of this Agreement, “Disparaging” means making remarks, comments or statements, whether written or oral, that impugn the character, integrity, reputation or abilities of the person being disparaged.

Section 4.2 Whistleblower Protection; Defend Trade Secrets Act.

(a) Nothing in this Agreement or otherwise limits the Participant’s ability to communicate directly with and provide information, including documents, not otherwise protected from disclosure by any Applicable Laws or privilege to the Securities and Exchange Commission (the “SEC”), any other federal, state or local governmental agency or commission (“Government Agency”) or self-regulatory organization regarding possible legal violations, without disclosure to the Company. The Company may not retaliate against the Participant for any of these activities, and nothing in this Agreement requires the Participant to waive any monetary award or other payment that the Participant might become entitled to from the SEC or any other Government Agency or self-regulatory organization.

(b) Further, nothing in this Agreement precludes the Participant from filing a charge of discrimination with the Equal Employment Opportunity Commission or a like charge or complaint with a state or local fair employment practice agency. However, once this Agreement becomes effective, the Participant may not receive a monetary award or any other form of personal relief from the Company in connection with any such charge or complaint that the Participant filed or is filed on the Participant’s behalf.

(c) Pursuant to the Defend Trade Secrets Act of 2016, the parties hereto acknowledge and agree that the Participant shall not have criminal or civil liability under any federal or state trade secret law for the disclosure of a trade secret that (i) is made (A) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney and (B) solely for the purpose of reporting or investigating a suspected violation of law; or (ii) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. In addition and without limiting the preceding sentence, if the Participant files a lawsuit for retaliation by the Company for reporting a suspected violation of law as contemplated by the preceding sentence, the Participant may disclose the relevant trade secret to his attorney and may use such trade secret in the ensuing court proceeding, if the Participant (X) files any document containing such trade secret under seal and (Y) does not disclose such trade secret, except pursuant to court order.
Section 4.3  **Data Protection.** Participant acknowledges and agrees that the Company and any other third-party administrator designated by the Company to maintain the Plan through an electronic system may process sensitive and personal data of Participant in connection with the administration and maintenance of the Plan, including: Participant’s name, address, telephone number, e-mail address, tax identification number, family size, marital status, sex, beneficiary information, emergency contacts, passport or visa information, language skills, driver’s license information, birth certificate or employee identification information. The lawful persons for whom the Participant's personal data are intended and with whom such personal data may be shared are the Company, the third-party administrator designated by the Company to maintain the Plan through an electronic system (as selected by the Company from time to time), legal counsel to the Company (as selected by the Company from time to time), the Company’s accountants (as selected by the Company from time to time) and any other person that the Company may find in its administration or maintenance of the Plan to be appropriate. For additional information regarding how the Company may collect, use and process Participant’s personal data and the manner in which the Company does so, Participant shall refer to Clarivate Analytics Employee Privacy Notice.

Section 4.4  **Third Party Administrator; Electronic Delivery.** The Company may, in its sole discretion, decide to deliver any documents related to the RSUs to Participant by electronic means or request Participant’s consent to participate in the Plan by electronic means. Participant consents to receive any such documents by electronic delivery and, if requested by the Company, agrees to participate in the Plan through an online or electronic system established and maintained by the Company or a third-party administrator designated by the Company.

Section 4.5  **Adjustments.** Participant acknowledges that the RSUs, the Shares subject to the RSUs and the Dividend Equivalents are subject to adjustment, modification and termination in certain events as provided in this Agreement and the Plan.

Section 4.6  **Notices.** Any notice to be given under the terms of this Agreement to the Company must be in writing and addressed to the Company in care of the Company’s Secretary at the Company’s principal office or the Secretary’s then-current email address or facsimile number. Any notice to be given under the terms of this Agreement to Participant must be in writing and addressed to Participant at Participant’s last known mailing address, email address or facsimile number in the Company’s personnel files. By a notice given pursuant to this Section 4.6, either party may designate a different address for notices to be given to that party. Any notice will be deemed duly given when actually received, when sent by email, when sent by certified mail (return receipt requested) and deposited with postage prepaid in a post office or branch post office regularly maintained by the United States Postal Service, when delivered by a nationally recognized express shipping company or upon receipt of a facsimile transmission confirmation.

Section 4.7  **Titles.** Titles are provided herein for convenience only and are not to serve as a basis for interpretation or construction of this Agreement.

Section 4.8  **Conformity to Securities Laws.** Participant acknowledges that the Plan, the Grant Notice and this Agreement are intended to conform to the extent necessary with all Applicable Laws and, to the extent Applicable Laws permit, will be deemed amended as necessary to conform to Applicable Laws.

Section 4.9  **Successors and Assigns.** The Company may assign any of its rights under this Agreement to single or multiple assignees, and this Agreement will inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer set forth in the Plan, this Agreement will be binding upon and inure to the benefit of the heirs, legatees, legal representatives, successors and assigns of the parties hereto.
Section 4.10  Transfer of Shares. If Participant is or becomes a party to the Company Amended and Restated Shareholders Agreement dated as of January 14, 2019 (as may be amended from time to time) (the “Shareholders Agreement”), any Shares delivered under this Agreement, including Dividend Equivalents paid in the form of Shares, shall not be subject to Section 3.1 of the Shareholders Agreement, and instead such Shares shall be fully saleable, assignable, transferable and alienable by Participant.

Section 4.11  Limitations Applicable to Section 16 Persons. Notwithstanding any other provision of the Plan or this Agreement, if Participant is subject to Section 16 of the Exchange Act, the Plan, the Grant Notice, this Agreement, the RSUs and the Dividend Equivalents will be subject to any additional limitations set forth in any applicable exemptive rule under Section 16 of the Exchange Act (including any amendment to Rule 16b-3) that are requirements for the application of such exemptive rule. To the extent Applicable Laws permit, this Agreement will be deemed amended as necessary to conform to such applicable exemptive rule.

Section 4.12  Entire Agreement. The Plan, the Grant Notice and this Agreement (including any exhibit hereto) constitute the entire agreement of the parties and supersede in their entirety all prior undertakings and agreements of the Company and Participant with respect to the subject matter hereof, except for the Non-Competition and Non-Solicitation Agreement.

Section 4.13  Agreement Severable. If any provision of the Grant Notice or this Agreement is declared or found to be illegal, unenforceable or void, in whole or in part, then the parties hereto shall be relieved of all obligations arising under such provision, but only to the extent that it is illegal, unenforceable or void, it being the intent and agreement of the parties hereto that the Grant Notice and this Agreement shall be deemed amended by modifying such provision to the extent necessary to make it legal and enforceable while preserving its intent or, if that is not possible, by substituting therefor another provision that is legal and enforceable and achieves the same objectives. The illegality, unenforceability or invalidity of any provision of the Grant Notice or this Agreement shall not affect the legality, enforceability or validity of any other provision of the Grant Notice or this Agreement.

Section 4.14  Limitation on Participant’s Rights. Participation in the Plan confers no rights or interests other than as herein provided. This Agreement creates only a contractual obligation on the part of the Company as to amounts payable and may not be construed as creating a trust. Neither the Plan nor any underlying program, in and of itself, has any assets. Participant will have only the rights of a general unsecured creditor of the Company with respect to amounts credited and benefits payable, if any, with respect to the RSUs and Dividend Equivalents, and rights no greater than the right to receive cash or the Shares as a general unsecured creditor with respect to the RSUs and Dividend Equivalents, as and when settled pursuant to the terms of this Agreement.

Section 4.15  Not a Contract of Employment. Nothing in the Plan, the Grant Notice or this Agreement confers upon Participant any right to continue in the employ or service of the Company or any Subsidiary or interferes with or restricts in any way the rights of the Company and its Subsidiaries, which rights are hereby expressly reserved, to discharge or terminate the services of Participant at any time for any reason whatsoever, with or without Cause, except to the extent expressly provided otherwise in a written agreement between the Company or a Subsidiary and Participant.

Section 4.16  Not Salary, Pensionable Earnings or Base Pay. The Participant acknowledges that the RSUs shall not be included in or deemed to be a part of (a) salary, normal salary or other ordinary compensation, (b) any definition of pensionable or other earnings (however defined) for the purpose of calculating any benefits payable to or on behalf of the Participant under any pension, retirement, termination or dismissal indemnity, severance benefit, retirement indemnity or other benefit arrangement of the Company or any Subsidiary or (c) any calculation of base pay or regular pay for any purpose.
Section 4.17  No Right to Future Awards. Any Award granted under the Plan shall be a one-time Award that does not constitute a promise of future grants. The Company, in its sole discretion, maintains the right to make available future grants under the Plan.

Section 4.18  Governing Law. All matters arising out of or relating to this Agreement and the transactions contemplated hereby, including its validity, interpretation, construction, performance and enforcement, shall be governed by and construed in accordance with the internal laws of the State of Delaware, without giving effect to its principles of conflict of laws.

Section 4.19  Counterparts. The Grant Notice may be executed in one or more counterparts, including by way of any electronic signature, subject to Applicable Laws, each of which will be deemed an original and all of which together will constitute one instrument.

* * * *

A-8

Section 6: EX-23.1 (EXHIBIT 23.1)

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statement on Form S-8 (No. 333-231405) of Clarivate Analytics Plc of our report dated March 2, 2020 relating to the financial statements, which appears in this Form 10-K.

/s/ PricewaterhouseCoopers LLP
Philadelphia, PA
March 2, 2020

Section 7: EX-31 (EXHIBIT 31)

Exhibit 31

CERTIFICATION

I, Jerre Stead, certify that:

1. I have reviewed this annual report on Form 10-K of Clarivate Analytics Plc;

2. Based on my knowledge, this annual report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this annual report;

3. Based on my knowledge, the financial statements, and other financial information included in this annual report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this annual report;

4. The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this annual report is being prepared;

   b) Paragraph omitted pursuant to Exchange Act Rule 13a-14(a);

   c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this annual report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this annual report based on such
d) Disclosed in this annual report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: March 2, 2020

/s/ Jerre Stead
Jerre Stead
Executive Chairman and Chief Executive Officer
CERTIFICATION

I, Richard Hanks, certify that:

1. I have reviewed this annual report on Form 10-K of Clarivate Analytics Plc;

2. Based on my knowledge, this annual report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this annual report;

3. Based on my knowledge, the financial statements, and other financial information included in this annual report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this annual report;

4. The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this annual report is being prepared;

   b) Paragraph omitted pursuant to Exchange Act Rule 13a-14(a);

   c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this annual report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this annual report based on such evaluation; and

   d) Disclosed in this annual report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: March 2, 2020 /s/ Richard Hanks
Richard Hanks
Chief Financial Officer

(Back To Top)

Section 8: EX-32 (EXHIBIT 32)

CERTIFICATION PURSUANT TO

SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Clarivate Analytics Plc (the “Company”) on Form 10-K for the year ended December 31, 2019 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Jerre Stead, Executive Chairman and Chief Executive Officer of the Company, certify to my knowledge, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. Section 1350), that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: March 2, 2020 /s/ Jerre Stead

ds/ Jerre Stead
CERTIFICATION PURSUANT TO

SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Clarivate Analytics Plc (the “Company”) on Form 10-K for the year ended December 31, 2019 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Richard Hanks, Chief Financial Officer of the Company, certify to my knowledge, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. Section 1350), that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: March 2, 2020

/s/ Richard Hanks
Richard Hanks
Chief Financial Officer