DECKERS OUTDOOR CORP
Form 4
March 19, 2007

FORM 4

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. *See* Instruction 1(b).

(Print or Type Responses)

1. Name and Address of Reporting Person *
OTTO DOUGLAS B

(Last) (First) (Middle)

495-A S. FAIRVIEW AVENUE

(Street)

GOLETA, CA 93117

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading Symbol
DECKERS OUTDOOR CORP [DECK]

3. Date of Earliest Transaction (Month/Day/Year)
03/15/2007

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

__X__ Director _____ 10% Owner
_____ Officer (give title below) _____ Other (specify below)

6. Individual or Joint/Group Filing(Check Applicable Line)
_X_ Form filed by One Reporting Person
___ Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)		4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Common Stock	03/15/2007		S		5,000 (1)	D	$ 70	228,822	D	
Common Stock	03/15/2007		S		22,750 (1)	D	$ 70.01	206,072	D	
Common Stock	03/15/2007		S		7,250 (1)	D	$ 70.02	198,822	D	
Common Stock	03/15/2007		S		5,000 (1)	D	$ 70.04	193,822	D	
Common Stock	03/15/2007		S		20,000 (1)	D	$ 70.05	173,822	D	

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474 (9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(*e.g.*, puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)		5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Underlying Securities (Instr. 3 and 4)		8. Price of Derivative Security (Instr. 5)	9. Nu Deriv Secur Bene Owne Follo Repo Trans (Instr
								Date Exercisable	Expiration Date	Title	Amount or Number of Shares		
				Code	V	(A)	(D)						

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
OTTO DOUGLAS B 495-A S. FAIRVIEW AVENUE GOLETA, CA 93117	X			

Signatures

/s/Leslyn Nitta for Douglas Otto as Attorney in Fact	03/19/2007
**Signature of Reporting Person	Date

Explanation of Responses:

***** If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

****** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

(1) Transaction is a planned sale under the 10b-5-1 plan, filed with the SEC on August 8, 2006.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.
Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number. s—Limitation on Restricted Payments" and the definition of "Unrestricted Subsidiary;"

(f)
the merger or consolidation of any Guarantor with and into us or another Guarantor or upon the liquidation of such Guarantor following the transfer of all of its assets to us or another Guarantor;

(g)
we exercise our defeasance option or covenant defeasance option with respect to the Notes as described under "—Legal Defeasance and Covenant Defeasance" or our obligations under the Indenture being discharged with respect to the Notes in accordance with the terms of the Indenture;

(h)
such Subsidiary Guarantor delivering to the Trustee an Officer's Certificate and opinion stating that all conditions precedent provided for in the Indenture relating to the release of such Guarantee shall have been complied with; or

(i)
the consent of Holders of a majority in aggregate principal amount of the outstanding Notes of each applicable series.

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Upon our request or the request of the applicable Subsidiary Corporation, the Trustee shall evidence such release by a supplemental indenture or other instrument which may be executed by the Trustee without the consent of any Holder of the Notes (other than a release or discharge pursuant to clause (2) above).

Ranking

The payment of the principal of, premium, if any, and interest on the Notes and the payment of any Guarantee ranks pari passu in right of payment with all of our Senior Indebtedness or the relevant Guarantor, as the case may be, including the obligations of us and such Guarantor under the Senior Secured Credit Facilities. The ranking of the Notes and the Guarantees is more fully described above under "—Brief Description of the Notes" and "—Guarantees." Our Secured Indebtedness (including our obligations in respect of the Senior Secured Credit Facilities) is effectively senior to the Notes to the extent of the value of the collateral securing such Indebtedness. As of December 31, 2015, we and the Subsidiary Guarantors had $1,493 million of Secured Indebtedness outstanding and an additional $750 million available for borrowing under the Senior Secured Credit Facilities, as amended.

All of our operations are conducted through our Subsidiaries. Some of our Subsidiaries, including all of our Foreign Subsidiaries and all of our Foreign Subsidiary Holding Companies, are not guaranteeing the Notes and, as described above under "—Guarantees," Guarantees may be released under certain circumstances. In addition, our future Subsidiaries may not be required to guarantee the Notes. Claims of creditors of such non-guarantor Subsidiaries, including trade creditors and creditors holding Indebtedness of such non-guarantor Subsidiaries, and claims of holders of Preferred Stock of such non-guarantor Subsidiaries, generally have priority with respect to the assets and earnings of such non-guarantor Subsidiaries over the claims of our creditors, including holders of the Notes. Accordingly, the Notes are effectively subordinated to creditors (including trade creditors) and holders of Preferred Stock, if any, of our non-guarantor Subsidiaries. As of December 31, 2015, the total liabilities of our non-guarantor Subsidiaries were approximately $2,050 million, including trade and intercompany payables.

Although the Indenture contains limitations on the amount of additional Indebtedness that we and the Restricted Subsidiaries may incur, under certain circumstances the amount of such Indebtedness could be substantial. The Indenture does not limit the amount of liabilities that are not considered Indebtedness that may be incurred by us or our Restricted Subsidiaries, including the non-guarantor Subsidiaries. See "—Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock."

Paying Agent and Registrar for the Notes

We will maintain a paying agent for the Notes. The initial paying agent for the Dollar Notes is the Trustee. The initial paying agent for the Euro Notes is Elavon Financial Services Limited, UK Branch. We have undertaken that, so long as the Euro Notes remain outstanding, we will ensure that it maintains a paying agent with respect to the Euro Notes in a member state of the European Union that will not be obligated to withhold or deduct tax pursuant to the Council of the European Union Directive 2003/48/EC (as amended from time to time) or any other law or directive implementing the conclusions of the Economic and Financial Affairs Council meeting of 26 and 27 November 2000 on the taxation of savings income, or any law implementing, or complying with or introduced in order to conform to,

such directive. The applicable paying agent will make payments on the Notes on behalf of us. The paying agent, or agents, as applicable, will hold all cash and securities for the benefit of the Trustee and the respective Holders.

We will also maintain a registrar with respect to the Dollar Notes and a registrar and transfer agent with respect to the Euro Notes. The initial registrar for the Dollar Notes is the Trustee. The initial registrar and transfer agent for the Euro Notes is Elavon Financial Services Limited. The applicable registrar will maintain a register reflecting ownership of the applicable Notes outstanding from time to time and facilitate transfers of Notes on behalf of us.

We may change the paying agents, the transfer agents or the registrars without prior notice to the Holders. We or any of our Subsidiaries may act as a paying agent or registrar with respect to the Dollar Notes. If and for so long as the Euro Notes are listed on the Global Exchange Market and the rules of the Irish Stock Exchange so permit, we will publish a notice of any change of paying agent, registrar or transfer agent on the official website of the Irish Stock Exchange (http://www.ise.ie).

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Transfer and Exchange

A Holder may transfer or exchange Notes in accordance with the Indenture. The applicable registrar and the Trustee may require a Holder to furnish appropriate endorsements and transfer documents in connection with a transfer of Notes. Holders will be required to pay all taxes due on transfer. We will not be required to transfer or exchange any Note selected for redemption. Also, we will not be required to transfer or exchange any Note for a period of 30 days before a selection of Notes to be redeemed.

Principal, Maturity and Interest

We have issued (i) $1,350,000,000 aggregate principal amount of 2023 Dollar Outstanding Notes, (ii) $750,000,000 aggregate principal amount of 2025 Dollar Outstanding Notes and (iii) €360,000,000 aggregate principal amount of Euro Outstanding Notes. The 2023 Dollar Notes will mature on May 15, 2023, the 2025 Dollar Notes will mature on May 15, 2025 and the Euro Notes will mature on May 15, 2023. Subject to compliance with the covenants described below under the caption "—Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock," we may issue additional Notes from time to time after this offering under the Indenture (any such additional Notes, for purposes of this Description of the Notes, "Additional Notes"). Except as otherwise provided herein, the Notes of a series offered hereby and any Additional Notes of such series subsequently issued under the Indenture will be treated as a single class for all purposes under such Indenture, including waivers, amendments, redemptions and offers to purchase; provided that if the Additional Notes of a series are not fungible with the Notes of such series for United States federal income tax purposes, such Additional Notes will have a separate CUSIP number. Unless otherwise specified, or the context requires otherwise, references to "Notes" of a series for all purposes of the Indenture and this "Description of the Notes" include any additional Notes of such series that are actually issued. The Dollar Notes are issued in minimum denominations of $2,000 (the "Dollar Minimum Denomination") and integral multiples of $1,000 in excess thereof, and Euro Notes are issued in minimum denominations of €100,000 (the "Euro Minimum Denomination") and integral multiples of €1,000 in excess thereof. Interest on the 2023 Dollar Notes accrues at the rate of 6.625% per annum, interest on the 2025 Dollar Notes accrues at the rate of 7.000% per annum and interest on the Euro Notes accrues at the rate of 6.125% per annum. Interest on each series of Notes is payable semiannually in arrears on May 15 and November 15 of each year to the holders of record of those Notes on the immediately preceding May 1 or November 1, as applicable. Interest on the Notes accrues from the most recent date to which interest has been paid or, if no interest has been paid, from and including the issue date of the Notes. Interest on the Notes is computed on the basis of a 360-day year comprised of twelve 30-day months.

Principal of, premium, if any, and interest on (x) the Dollar Notes are payable at our office or agency maintained for such purpose, and (y) the Euro Notes are payable at the office or agency of the paying agent or registrar of the Euro Notes maintained for such purpose or, at our option, payment of interest may be made by check mailed to the Holders of the Notes at their respective addresses set forth in the register of Holders; provided that all payments of principal, premium, if any, and interest with respect to (x) the Dollar Notes represented by one or more global notes registered in the name of or held by DTC or its nominee are made by wire transfer of immediately available funds to the accounts specified by the Holder or Holders thereof, and (y) the Euro Notes represented by one or more global notes registered in the name of a nominee of and held by the common depository for Euroclear Bank S.A./N.V. as the operator of the Euroclear System ("Euroclear"), and Clearstream Banking, société anonyme ("Clearstream") are made by the wire transfer of immediately available funds to the accounts specified by the Holder or Holders thereof. The rights of holders of beneficial interests in the Euro Notes to receive payment on such Euro Notes are subject to applicable procedures of Euroclear and Clearstream. Until otherwise designated by us, our office or agency is the office of the Trustee maintained for such purpose. If the due date for any payment in respect of the Notes is not a Business Day at the place at which such payment is due to be paid, the holder thereof will not be entitled to payment of the amount due until the next succeeding Business Day at such place, and will not be entitled to any further interest or other payment as a result of any such delay.

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Issuance of Euro Notes in Euros

All payments of principal and interest on the Euro Notes, including payments made upon any redemption of the Euro Notes, are payable in euros. If the euro is unavailable to us on the date that is two Business Days prior to the relevant payment date as a result of the imposition of exchange controls or other circumstances beyond our control, or if the euro is no longer being used by the then member states of the European Union that have adopted the euro as their currency or for the settlement of transactions by public institutions of or within the international banking community, then we will be entitled, until the euro is again available to us or so used, to satisfy our payment obligations in respect of the Euro Notes by making such payments in U.S. dollars. The amount payable on any date in euros will be converted by us into U.S. dollars at the rate mandated by the U.S. Federal Reserve Board as of the close of business on the second Business Day prior to the relevant payment date or, in the event the U.S. Federal Reserve Board has not mandated a rate of conversion, on the basis of the most recent U.S. dollar/euro exchange rate published in The Wall Street Journal on or prior to the second Business Day prior to the relevant payment date. If the U.S. dollar/euro exchange rate is not published in The Wall Street Journal on the second Business Day prior to the relevant payment date, the amount payable on any relevant payment date in euros will be converted into U.S. dollars at the Market Exchange Rate (as defined below) on the second Business Day before that payment is due, or if such Market Exchange Rate is not then available, on the basis of the most recently available Market Exchange Rate on or before the date that payment is due. “Market Exchange Rate” means the noon buying rate in the City of New York for cable transfers of euros as certified for customs purposes (or, if not so certified, as otherwise determined) by the Federal Reserve Bank of New York.

Any payment in respect of the Euro Notes so made in U.S. dollars will not constitute an Event of Default in respect of the Euro Notes or under the Indenture. Neither the Trustee nor any paying agent shall have any responsibility for any calculation or conversion in connection with the foregoing or otherwise under the Indenture or in connection with any Notes. Investors will be subject to foreign exchange risks as to payments of principal and interest that may have important economic and tax consequences to them. See “Risk Factors.”

Payment of Additional Amounts on the Euro Notes

All payments of principal and interest on the Euro Notes by us are made free and clear of and without withholding or deduction for or on account of any present or future tax, assessment or other governmental charge imposed by the United States (as defined below), unless we are required to withhold or deduct such taxes, assessments or other governmental charge by law or the official interpretation or administration thereof. We will, subject to the exceptions and limitations set forth below, pay as additional interest on Euro Notes such additional amounts (the “additional amounts”) as are necessary in order that the net payment by us of the principal of and interest on such Euro Notes to a Holder who is not a United States person (as defined below), after withholding or deduction for any present or future tax, assessment or other governmental charge imposed by the United States, will not be less than the amount provided in such Euro Notes to be then due and payable; provided, however, that the foregoing obligation to pay additional amounts shall not apply:

(1)

to any tax, assessment or other governmental charge that is imposed by reason of the Holder (or the beneficial owner for whose benefit such Holder holds such Euro Note), or a fiduciary, settlor, beneficiary, member or shareholder of the Holder if the Holder is an estate, trust, partnership or corporation, or a person holding a power over an estate or trust administered by a fiduciary holder, being considered as:

a.

being or having been engaged in a trade or business in the United States or having or having had a permanent establishment in the United States;

b.

having a current or former connection with the United States (other than a connection arising solely as a result of the ownership of such Euro Notes, the receipt of any payment or the enforcement of any rights in respect of the Notes), including being or having been a citizen or resident of the United States;

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c.
being or having been a foreign or domestic personal holding company, a passive foreign investment company or a controlled foreign corporation for United States income tax purposes or a corporation that has accumulated earnings to avoid United States federal income tax;

d.
being or having been a "10-percent shareholder" of us as defined in section 871(h)(3) of the United States Internal Revenue Code of 1986, as amended (the "Code") or any successor provision; or

e.
being or having been a bank receiving payments on an extension of credit made pursuant to a loan agreement entered into in the ordinary course of its trade or business, as described in section 881(c)(3)(A) of the Code or any successor provision;

(2)
to any Holder that is not the sole beneficial owner of such Euro Notes, or a portion of such Euro Notes, or that is a fiduciary, partnership or limited liability company, but only to the extent that a beneficial owner with respect to the Holder, a beneficiary or settlor with respect to the fiduciary, or a beneficial owner or member of the partnership or limited liability company would not have been entitled to the payment of an additional amount had the beneficiary, settlor, beneficial owner or member received directly its beneficial or distributive share of the payment;

(3)
to any tax, assessment or other governmental charge that would not have been imposed but for the failure of the Holder or beneficial owner to submit an applicable United States Internal Revenue Service ("IRS") Form W-8BEN or Form W-8BEN-E (or appropriate substitute or successor form with any required attachments) to establish the status as a non-United States person as required for purposes of the portfolio interest exemption or IRS Form W-9 to establish the status as a United States person, or comply with other certification, identification or information reporting requirements concerning the nationality, residence, identity or connection with the United States of the Holder or beneficial owner of such Euro Notes, if compliance is required by statute, by regulation of the United States or by an applicable income tax treaty to which the United States is a party as a precondition to exemption from such tax, assessment or other governmental charge;

(4)
to any tax, assessment or other governmental charge that is imposed otherwise than by deduction or withholding by us or a paying agent from the payment;

(5)
to any estate, inheritance, gift, sales, transfer, wealth, capital gains or personal property tax or similar tax, assessment or other governmental charge;

(6)
to any withholding or deduction that is imposed on a payment and that is required to be made pursuant to European Council Directive 2003/48/EC or any other Directive amending, supplementing or replacing such Directive, or any law implementing or complying with, or introduced in order to conform to, such Directive or Directives;

(7)
to any tax, assessment or other governmental charge required to be withheld by any paying agent from any payment of principal of or interest on any Euro Note as a result of the presentation of any Euro Note for payment (where presentation is required) by or on behalf of a holder of Euro Notes, if such payment could have been made without such withholding by presenting the relevant note to at least one other paying agent in a member state of the European

Union;

(8)
to any tax, assessment or other governmental charge that would not have been imposed or levied but for the presentation by the Holder of any Euro Note, where presentation is required, for payment on a date more than 30 days after the date on which payment became due and payable or the date on which payment thereof is duly provided for, whichever occurs later;

(9)
to any tax, assessment or other governmental charge imposed under sections 1471 through 1474 of the Code as of the issue date (or any amended or successor provisions that are substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof, any agreement entered into pursuant to section 1471(b) of the Code or any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement entered into in connection with the implementation of such sections of the Code; or

(10)
in the case of any combination of items (1) through (9) above.

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The Euro Notes are subject in all cases to any tax, fiscal or other law or regulation or administrative or judicial interpretation applicable to the Euro Notes. Except as specifically provided under this heading "—Payment of Additional Amounts on the Euro Notes," we will not be required to make any payment for any tax, assessment or other governmental charge imposed by any government or a political subdivision or taxing authority of or in any government or political subdivision.

As used under this heading "—Payment of Additional Amounts on the Euro Notes" and the heading "—Redemption of Euro Notes for Tax Reasons," the term "United States" means the United States of America, the states of the United States, and the District of Columbia, including in each case, any political subdivision or taxing authority thereof or therein having power to tax, and the term "United States person" means any individual who is a citizen or resident of the United States for U.S. federal income tax purposes, a corporation, partnership or other entity created or organized in or under the laws of the United States, any state of the United States or the District of Columbia, or any estate or trust the income of which is subject to United States federal income taxation regardless of its source.

Redemption of Euro Notes for Tax Reasons

If, as a result of any change in, or amendment to, the laws (or any regulations or rulings promulgated under the laws) of the United States, or any change in, or amendments to, an official position regarding the application or interpretation of such laws, regulations or rulings (including by virtue of a holding, judgment or order by a court of competent jurisdiction or a change in published administrative practice), which change or amendment is announced or becomes effective on or after May 5, 2015, we become or, based on a written opinion of independent counsel selected by us, will become, obligated to pay additional amounts as described herein under the heading "—Payment of Additional Amounts on the Euro Notes" with respect to the Euro Notes (such change or amendment, a "Change in Tax Law"), then we may at any time at our option redeem, in whole, but not in part, the Euro Notes on not less than 30 nor more than 60 days prior notice, at a redemption price equal to 100% of their principal amount, together with accrued and unpaid interest on the Euro Notes to, but excluding, the redemption date.

Mandatory Redemption; Offers to Purchase; Acquisition of Notes

We are not required to make any mandatory redemption or sinking fund payments with respect to the Notes. However, under certain circumstances, we may be required to offer to purchase Notes as described under "—Repurchase at the Option of Holders." We may, and our affiliates may, at any time and from time to time, acquire Notes by means other than a redemption, including by tender offer, open market purchases, negotiated transactions or otherwise (including in connection with a consent solicitation), in accordance with applicable securities laws, in each case so long as such acquisition does not violate the terms of the Indenture.

Optional Redemption

2023 Dollar Notes

Except as set forth below, we will not be entitled to redeem the 2023 Dollar Notes at its option prior to May 15, 2018. At any time prior to May 15, 2018, we may redeem all or a part of the 2023 Dollar Notes upon notice as described under "—Optional Redemption—Selection and Notice" below, at a redemption price equal to 100% of the principal amount of 2023 Dollar Notes redeemed plus the Applicable Premium as of, and accrued and unpaid interest, if any, to, but excluding, the date of redemption (the "2023 Dollar Notes Redemption Date"), subject to the rights of Holders on the relevant record date to receive interest due on the relevant interest payment date.

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On and after May 15, 2018, we may redeem the 2023 Dollar Notes, in whole or in part, upon notice as described under the heading "—Optional Redemption—Selection and Notice" below, at the redemption prices (expressed as percentages of principal amount of the 2023 Dollar Notes to be redeemed) set forth below, plus accrued and unpaid interest thereon, to the 2023 Dollar Notes Redemption Date, subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date, if redeemed beginning on May 15 of the years indicated below:

Date	Percentage
2018	104.969%
2019	103.313%
2020	101.656%
2021 and thereafter	100.0%

In addition, until May 15, 2018, we may, at our option, on one or more occasions, redeem up to 35% of the aggregate principal amount of 2023 Dollar Notes issued by us at a redemption price equal to 106.625% of the aggregate principal amount thereof, plus accrued and unpaid interest thereon, to, but excluding, the 2023 Dollar Notes Redemption Date, subject to the right of Holders of 2023 Dollar Notes of record on the relevant record date to receive interest due on the relevant interest payment date, with the net cash proceeds of one or more Equity Offerings; provided that at least 65% of the aggregate principal amount of the 2023 Dollar Notes originally issued under the Indenture (calculated after giving effect to any issuance of Additional Notes) remains outstanding immediately after the occurrence of each such redemption; provided further that each such redemption occurs within 90 days of the date of closing of each such Equity Offering.

Notwithstanding the foregoing, in connection with any tender offer for all of the outstanding 2023 Dollar Notes at a price of at least 100% of the principal amount of the 2023 Dollar Notes tendered, plus accrued and unpaid interest thereon to, but excluding, the applicable tender settlement date (including any Change of Control Offer), if Holders of not less than 90% in aggregate principal amount of the outstanding 2023 Dollar Notes validly tender and do not withdraw such 2023 Dollar Notes in such tender offer and we, or any third party making such a tender offer in lieu of us, purchases all of the 2023 Dollar Notes validly tendered and not withdrawn by such Holders, we or such third party will have the right, upon not less than 30 nor more than 60 days' prior notice, given not more than 30 days following such purchase date, to redeem all 2023 Dollar Notes that remain outstanding following such purchase at a price equal to the price offered to each other Holder in such tender offer plus, to the extent not included in the tender offer payment, accrued and unpaid interest, if any, thereon, to, but excluding, the 2023 Dollar Notes Redemption Date.

2025 Dollar Notes

Except as set forth below, we will not be entitled to redeem the 2025 Dollar Notes at its option prior to May 15, 2020. On and after May 15, 2020, we may redeem the 2025 Dollar Notes, in whole or in part, upon notice as described under the heading "—Optional Redemption—Selection and Notice" below, at the redemption prices (expressed as percentages of principal amount of the 2025 Dollar Notes to be redeemed) set forth below, plus accrued and unpaid interest thereon, to the date of redemption (the "2025 Dollar Notes Redemption Date"), subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date, if redeemed beginning on May 15 of the years indicated below:

Date	Percentage
2020	103.500%
2021	102.333%
2022	101.167%
2023 and thereafter	100.0%

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Notwithstanding the foregoing, in connection with any tender offer for all of the outstanding 2025 Dollar Notes at a price of at least 100% of the principal amount of the 2025 Dollar Notes tendered, plus accrued and unpaid interest thereon to, but excluding, the applicable tender settlement date (including any Change of Control Offer), if Holders of not less than 90% in aggregate principal amount of the outstanding 2025 Dollar Notes validly tender and do not withdraw such 2025 Dollar Notes in such tender offer and we, or any third party making such a tender offer in lieu of us, purchases all of the 2025 Dollar Notes validly tendered and not withdrawn by such Holders, we or such third party will have the right, upon not less than 30 nor more than 60 days' prior notice, given not more than 30 days following such purchase date, to redeem all 2025 Dollar Notes that remain outstanding following such purchase at a price equal to the price offered to each other Holder in such tender offer plus, to the extent not included in the tender offer payment, accrued and unpaid interest, if any, thereon, to, but excluding, the 2025 Dollar Notes Redemption Date.

Euro Notes

Except as set forth below or as set forth under "Redemption of Euro Notes for Tax Reasons" above, we will not be entitled to redeem the Euro Notes at its option prior to May 15, 2018.

At any time prior to May 15, 2018, we may redeem all or a part of the Euro Notes upon notice as described under "—Optional Redemption—Selection and Notice" below, at a redemption price equal to 100% of the principal amount of Euro Notes redeemed plus the Applicable Premium as of, and accrued and unpaid interest, if any, to, but excluding, the date of redemption (the "Euro Notes Redemption Date"), subject to the rights of Holders on the relevant record date to receive interest due on the relevant interest payment date.

On and after May 15, 2018, we may redeem the Euro Notes, in whole or in part, upon notice as described under the heading "—Optional Redemption—Selection and Notice" below, at the redemption prices (expressed as percentages of principal amount of the Euro Notes to be redeemed) set forth below, plus accrued and unpaid interest thereon, to the Euro Notes Redemption Date, subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date, if redeemed beginning on May 15 of the years indicated below:

Date	Percentage
2018	104.594%
2019	103.063%
2020	101.531%
2021 and thereafter	100.0%

In addition, until May 15, 2018, we may, at our option, on one or more occasions, redeem up to 35% of the aggregate principal amount of Euro Notes issued by us at a redemption price equal to 106.125% of the aggregate principal amount thereof, plus accrued and unpaid interest thereon, to, but excluding, the Euro Notes Redemption Date, subject to the right of Holders of Euro Notes of record on the relevant record date to receive interest due on the relevant interest payment date, with the net cash proceeds of one or more Equity Offerings; provided that at least 65% of the aggregate principal amount of the Euro Notes originally issued under the Indenture (calculated after giving effect to any issuance of Additional Notes) remains outstanding immediately after the occurrence of each such redemption; provided further that each such redemption occurs within 90 days of the date of closing of each such Equity Offering.

Notwithstanding the foregoing, in connection with any tender offer for all of the outstanding Euro Notes at a price of at least 100% of the principal amount of the Euro Notes tendered, plus accrued and unpaid interest thereon to, but excluding, the applicable tender settlement date (including any Change of Control Offer), if Holders of not less than 90% in aggregate principal amount of the outstanding Euro Notes validly tender and do not withdraw such Euro Notes in such tender offer and we, or any third party making such a tender offer in lieu of us, purchases all of the Euro Notes validly tendered and not withdrawn by such Holders, we or such third party will have the right, upon not less than 30 nor more than 60 days' prior notice, given not more than 30 days following such purchase date, to redeem all Euro Notes that remain outstanding following such purchase at a price equal to the price offered to each other Holder in such tender offer plus, to the extent not included in the tender offer payment, accrued and unpaid interest, if any, thereon, to, but excluding, the Euro Notes Redemption Date.

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Selection and Notice

Notices of redemption shall be delivered electronically or mailed by first-class mail, postage prepaid, at least 30 but not more than 60 days before the applicable Redemption Date to each Holder of Notes to be redeemed at such Holder's registered address or otherwise in accordance with the procedures of DTC with respect to the Dollar Notes or the procedures of Euroclear and Clearstream with respect to the Euro Notes, except that redemption notices may be delivered more than 60 days prior to a redemption date if the notice is issued in connection with a defeasance of the applicable Notes or a satisfaction and discharge of the Indenture. If any Note is to be redeemed in part only, any notice of redemption that relates to such Notes shall state the portion of the principal amount thereof that has been or is to be redeemed.

Notice of any redemption may be given prior to the completion of any offering or other corporate transaction, and any redemption or notice may, at our discretion, be subject to one or more conditions precedent, including, but not limited to, the completion of the related offering or corporate transaction.

If we are redeeming less than all of the Notes of a series issued under the Indenture at any time, the Trustee will select the Notes of the applicable series to be redeemed (1) if we have notified the Trustee that the Notes of the applicable series are listed on an exchange, in compliance with the requirements of such exchange or (2) on a pro rata basis to the extent practicable, or, if a pro rata basis is not practicable or permitted for any reason, by lot or by such other method as may be prescribed by, in respect of the Dollar Notes, DTC's applicable procedures, or, in respect of the Euro Notes, Euroclear and Clearstream's applicable procedures. No Dollar Notes of the Dollar Notes Minimum Denomination or less, and no Euro Notes of the Euro Notes Minimum Denomination or less, may be redeemed in part.

If and for so long as any Euro Notes are listed on the Official List of the Irish Stock Exchange and admitted to trading on the Global Exchange Market and the rules of the Irish Stock Exchange so require, any such notice to the holder of the relevant Euro Notes shall also be released by us through the Companies Announcement Office of the Irish Stock Exchange and, in connection with any redemption, we will notify the Irish Stock Exchange of any change in the principal amount of Euro Notes outstanding.

With respect to Notes represented by certificated notes, we will issue a new Note in a principal amount equal to the unredeemed portion of the original Note in the name of the Holder upon cancellation of the original Note; provided, that new Dollar Notes will only be issued in the Dollar Minimum Denomination and integral multiples of $1,000 in excess thereof and new Euro Notes will only be issued in the Euro Minimum Denomination and integral multiples of €1,000 in excess thereof. Notes called for redemption become due on the date fixed for redemption, unless such redemption is conditioned on the happening of one or more future events or conditions precedent. On the applicable Redemption Date, interest will cease to accrue on Notes or any series or portion thereof called for redemption.

Repurchase at the Option of Holders

Change of Control

The Indenture provides that if a Change of Control occurs after the Issue Date, unless we have previously or concurrently mailed a redemption notice with respect to all the outstanding Notes as described under "—Optional Redemption," we will make an offer to purchase all of the Notes pursuant to the offer described below (the "Change of Control Offer") at a price in cash (the "Change of Control Payment") equal to 101% of the aggregate principal amount thereof plus accrued and unpaid interest, if any, to, but excluding, the date of purchase, subject to the right of Holders of the Notes of record on the relevant record date to receive interest due on the relevant interest payment date. Within 30 days following any Change of Control, we will deliver notice of such Change of Control Offer with a copy to the Trustee, to each Holder of Notes to the address of such Holder appearing in the security register or otherwise in accordance with the procedures of DTC with respect to the Dollar Notes or the procedures of Euroclear and Clearstream with respect to the Euro Notes, with the following information:

(1)

that a Change of Control Offer is being made pursuant to the covenant entitled "Change of Control" under the Indenture and that all Notes properly tendered pursuant to such Change of Control Offer will be accepted for payment by us;

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(2)
the purchase price and the purchase date, which will be no earlier than 30 days nor later than 60 days from the date such notice is sent (the "Change of Control Payment Date"), except in the case of a conditional Change of Control Offer made in advance of a Change of Control as described below;

(3)
that any Note not properly tendered will remain outstanding and continue to accrue interest;

(4)
that, unless we default in the payment of the Change of Control Payment required to be made, all Notes accepted for payment pursuant to the Change of Control Offer will cease to accrue interest on the Change of Control Payment Date;

(5)
that Holders electing to have any Notes purchased pursuant to a Change of Control Offer will be required to surrender such Notes, with the form entitled "Option of Holder to Elect Purchase" on the reverse of such Notes completed, to the paying agent specified in the notice at the address specified in the notice prior to the close of business on the third Business Day preceding the Change of Control Payment Date;

(6)
that Holders will be entitled to withdraw their tendered Notes and their election to require us to purchase such Notes; provided that the applicable paying agent receives, not later than the close of business on the expiration date of the Change of Control Offer, a telegram, telex, facsimile transmission or letter setting forth the name of the Holder of the Notes, the principal amount of Notes tendered for purchase, and a statement that such Holder is withdrawing its tendered Notes and its election to have such Notes purchased;

(7)
the other instructions, as determined by us, consistent with the covenant described hereunder, that a Holder must follow; and

(8)
if such notice is sent prior to the occurrence of a Change of Control, stating that the Change of Control Offer is conditional upon the occurrence of such Change of Control.

We will comply with the requirements of Rule 14e-1 under the Exchange Act and any other securities laws and regulations thereunder to the extent such laws or regulations are applicable in connection with the repurchase of Notes pursuant to a Change of Control Offer. To the extent that the provisions of any securities laws or regulations conflict with the provisions of the Indenture, we will comply with the applicable securities laws and regulations and shall not be deemed to have breached its obligations set forth in the Indenture by virtue of such conflict.

On the Change of Control Payment Date, we will, to the extent permitted by law,

(1)
accept for payment all Notes or portions thereof properly tendered pursuant to the Change of Control Offer,

(2)
deposit with the applicable paying agent an amount equal to the aggregate Change of Control Payment in respect of all Notes or portions thereof properly tendered, and

(3)
deliver, or cause to be delivered, to the Trustee for cancellation the Notes so accepted together with an Officer's Certificate to the Trustee stating that such Notes or portions thereof have been tendered to, and purchased by, us.

The Senior Secured Credit Facilities provide, and future credit agreements or other agreements relating to Indebtedness to which we become a party may provide, that certain change of control events with respect to us would constitute a default thereunder (including events that would constitute a Change of Control under the Indenture). If we experience a change of control event that triggers a default or prepayment provision under the Senior Secured Credit Facilities or any such future Indebtedness, we could seek a waiver of such default or prepayment provision or seek to refinance the Senior Secured Credit Facilities or such future Indebtedness. In the event we do not obtain such a waiver and do not refinance the Senior Secured Credit Facilities or such future Indebtedness, such default could result in amounts outstanding under the Senior Secured Credit Facilities or such future Indebtedness being declared due and payable or lending commitments being terminated.

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Our ability to pay cash to the Holders of Notes following the occurrence of a Change of Control may be limited by our then-existing financial resources. Therefore, sufficient funds may not be available when necessary to make any required repurchases. See “Risk Factors—Risks Relating to our Indebtedness and the Notes—We may not be able to finance a change of control offer required by the indenture.”

The Change of Control purchase provisions of the Indenture described above may in certain circumstances make more difficult or discourage a sale or takeover of us and, thus, the removal of incumbent management. The Change of Control purchase feature is a result of negotiations between the initial purchasers and us. We have no present intention to engage in a transaction involving a Change of Control, although it is possible that we could decide to do so in the future. Subject to the limitations discussed below, we could, in the future, enter into certain transactions, including acquisitions, refinancings or other recapitalizations, that would not constitute a Change of Control under the Indenture, but that could increase the amount of indebtedness outstanding at such time or otherwise affect our capital structure or credit ratings. Restrictions on our ability to incur additional Indebtedness are contained in the covenants described under “—Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock” and “—Certain Covenants—Liens.” However, the covenants are subject to significant exceptions. Such restrictions in the Indenture can be waived, with respect to any series of Notes, with the consent of the Holders of a majority in principal amount of the Notes of the applicable series then outstanding. Except for the limitations contained in such covenants, however, the Indenture does not contain any covenants or provisions that may afford Holders of the Notes protection in the event of a highly leveraged transaction.

We will not be required to make a Change of Control Offer following a Change of Control if a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in the Indenture applicable to a Change of Control Offer made by us and purchases all Notes properly tendered and not withdrawn under such Change of Control Offer.

Notwithstanding anything to the contrary herein, a Change of Control Offer may be made in advance of a Change of Control, conditional upon such Change of Control, if a definitive agreement is in place for the Change of Control at the time of making the Change of Control Offer.

The definition of “Change of Control” includes a phrase relating to the direct or indirect sale, lease, transfer, conveyance or other disposition of all or substantially all of the assets of us and our Restricted Subsidiaries, taken as a whole, to any person. Although there is a limited body of case law interpreting the phrase “all or substantially all,” there is no precise established definition of the phrase under applicable law. Accordingly, in certain circumstances there may be a degree of uncertainty as to whether a particular transaction would involve a disposition of “all or substantially all” of the assets of us and our Restricted Subsidiaries, taken as a whole. As a result, it may be unclear as to whether a Change of Control has occurred and whether a Holder of Notes may require us to make an offer to repurchase the Notes as described above.

The provisions under the Indenture relating to our obligation to make an offer to repurchase the Notes as a result of a Change of Control may be waived or modified, with respect to any series of Notes, with the written consent of the Holders of a majority in principal amount of the Notes of the applicable series then outstanding, including after the entry into of an agreement that would result in the need to make a Change of Control Offer.

If and for so long as the Euro Notes are listed on the Official List of the Irish Stock Exchange and admitted to trading on the Global Exchange Market and the rules of the Irish Stock Exchange so require, notices of any amendment, supplement or waiver shall be published through the Companies Announcement Office of the Irish Stock Exchange and/or, to the extent and in the manner permitted by the rules of the Irish Stock Exchange, on the official website of the Irish Stock Exchange.

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Asset Sales

The Indenture provides that we will not, and will not permit any of our Restricted Subsidiaries to, consummate an Asset Sale, unless:

(1)

we or such Restricted Subsidiary, 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 us at the time of contractually agreeing to such Asset Sale) of the assets sold or otherwise disposed of or the Equity Interests issued; and

(2)

except in the case of a Permitted Asset Swap, at least 75% of the consideration therefor received by us or such Restricted Subsidiary, as the case may be, is in the form of cash or Cash Equivalents; provided that the following shall be deemed to be cash for purposes of this provision and for no other purpose:

(a)

any liabilities (as reflected in our or such Restricted Subsidiary's most recent balance sheet or in the footnotes thereto or, if incurred, increased or accrued subsequent to the date of such balance sheet, such liabilities that would have been shown on our or such Restricted Subsidiary's balance sheet or in the footnotes thereto if such incurrence, increase or accrual had taken place on the date of such balance sheet, as determined in good faith by us) of our or such Restricted Subsidiary (other than Contingent Obligations and liabilities that are by their terms subordinated to the Notes or the applicable Guarantee) that are assumed by the transferee of any such assets pursuant to a written agreement that releases or indemnifies us or such Restricted Subsidiary from such liabilities or that are otherwise extinguished by the transferee in connection with such transaction;

(b)

any securities, notes or other similar obligations received by us or such Restricted Subsidiary from such transferee that are converted by us or such Restricted Subsidiary into cash or Cash Equivalents (to the extent of the cash or Cash Equivalents received) within 180 days of the receipt thereof;

(c)

any Designated Non-cash Consideration received by us or such Restricted Subsidiary in such Asset Sale having an aggregate fair market value, taken together with all other Designated Non-cash Consideration received pursuant to this clause (c) that is at that time outstanding, not to exceed the greater of $200.0 million and 3.25% of Total Assets 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; and

(d)

Capital Stock of a Person that is a Restricted Subsidiary or of a Person engaged in a Similar Business that shall become a Restricted Subsidiary immediately upon the acquisition thereof by us or any Restricted Subsidiary.

Within 365 days after the receipt of any Net Proceeds of any Asset Sale, we or such Restricted Subsidiary, at its option, may apply an amount equal to the Net Proceeds from such Asset Sale,

(1)

to permanently reduce Indebtedness as follows:

(a)

to permanently reduce Secured Indebtedness, including Indebtedness under the Senior Secured Credit Facilities, in each case, that is secured by a Lien that is permitted by the Indenture and (if applicable) to permanently reduce commitments with respect thereto;

(b)
to permanently reduce Obligations under other Senior Indebtedness of us or a Subsidiary Guarantor (and (if applicable) to permanently reduce commitments with respect thereto), provided that we shall equally and ratably reduce (or offer to reduce, as applicable) Obligations under the Notes; provided further that all reductions of Obligations under the Notes shall be made as provided under "—Optional Redemption" or through open-market purchases (to the extent such purchases are at or above 100% of the principal amount thereof plus accrued and unpaid interest) or by making an offer (in accordance with the procedures

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set forth below for an Asset Sale Offer) to all Holders of Notes to purchase their Notes at 100% of the principal amount thereof, plus the amount of accrued but unpaid interest, if any, on the amount of Notes of the applicable Series that would otherwise be prepaid; or

(c)

if the assets that are the subject of such Asset Sale are the property or assets of a Restricted Subsidiary that is not a Subsidiary Guarantor, to permanently reduce Indebtedness of a Restricted Subsidiary that is not a Subsidiary Guarantor, other than Indebtedness owed to us or any Restricted Subsidiary;

(2)

to make (a) an Investment in any one or more businesses; provided that such Investment in any business is in the form of the acquisition of Capital Stock and results in us or any of our Restricted Subsidiaries, as the case may be, owning an amount of the Capital Stock of such business such that it constitutes a Restricted Subsidiary, (b) capital expenditures or (c) acquisitions of other businesses, properties, assets or intellectual property rights that, in the case of each of (a), (b) and (c), are used or useful in a Similar Business; and/or

(3)

to make an Investment in (a) any one or more businesses; provided that such Investment in any business is in the form of the acquisition of Capital Stock and results in us or any of our Restricted Subsidiaries, as the case may be, owning an amount of the Capital Stock of such business such that it constitutes a Restricted Subsidiary, (b) properties or (c) acquisitions of other businesses, properties, assets or intellectual property rights that, in the case of each of (a), (b) and (c), replace the businesses, properties, assets or intellectual property rights that are the subject of such Asset Sale;

provided that, in the case of clauses (2) and (3) above, a binding commitment entered into not later than the end of such 365-day period shall be treated as a permitted application of the Net Proceeds from the date of such commitment so long as we or such Restricted Subsidiary enters into such commitment with the good faith expectation that an amount equal to the Net Proceeds will be applied to satisfy such commitment within 180 days of the end of such 365-day period (an “Acceptable Commitment”) and, in the event any Acceptable Commitment is later cancelled or terminated for any reason before an amount equal to the Net Proceeds is so applied, then we or such Restricted Subsidiary shall be permitted to apply an amount equal to the Net Proceeds in any manner set forth above before the expiration of such 180-day period and, in the event we or such Restricted Subsidiary fails to do so, then such Net Proceeds shall constitute Excess Proceeds.

Any Net Proceeds from the Asset Sale that are not invested or applied as provided and within the time period set forth in the preceding paragraph will be deemed to constitute “Excess Proceeds.” When the aggregate amount of Excess Proceeds exceeds $100.0 million (the “Excess Proceeds Threshold”), we shall make an offer to all Holders of the Notes and, if required by the terms of any Senior Indebtedness, to the holders of such Senior Indebtedness (an “Asset Sale Offer”), to purchase the maximum aggregate principal amount of the Notes and such Senior Indebtedness that, in the case of Dollar Notes, is an integral multiple of $1,000 (but in minimum amounts of the Dollar Minimum Denomination) and, in the case of Euro Notes, is an integral multiple of €1,000 (but in minimum amounts of the Euro Minimum Denomination) that may be purchased with such Excess Proceeds at an offer price, in the case of the Notes, in cash in an amount equal to 100% of the principal amount thereof, plus accrued and unpaid interest to the date fixed for the closing of such offer, and in the case of any Senior Indebtedness at the offer price required by the terms thereof but not to exceed 100% of the principal amount thereof, plus accrued and unpaid interest, if any, in each case in accordance with the procedures set forth in the Indenture. We will commence an Asset Sale Offer with respect to Excess Proceeds within 10 Business Days after the date that Excess Proceeds exceed the Excess Proceeds Threshold by delivering the notice required pursuant to the terms of the Indenture, with a copy to the Trustee. We may satisfy the foregoing obligations with respect to any Net Proceeds from an Asset Sale by making an Asset Sale Offer with respect to such Net Proceeds prior to the expiration of the relevant 365-day period. Upon the completion of each Asset Sale Offer (including a voluntary Asset Sale Offer with respect to all Excess Proceeds even though less than the Excess Proceeds Threshold), the amount of Excess Proceeds shall be reset to zero.

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To the extent that the aggregate principal amount of Notes and such Senior Indebtedness, as the case may be, tendered pursuant to an Asset Sale Offer is less than the Excess Proceeds, we may use any remaining Excess Proceeds for any purposes not otherwise prohibited under the Indenture. If the aggregate principal amount of Notes or Senior Indebtedness, as the case may be, surrendered by such holders thereof exceeds the amount of Excess Proceeds, such Notes or Senior Indebtedness, as the case may be, will be purchased on a pro rata basis based on the accreted value or principal amount of such Notes or Senior Indebtedness, as the case may be, tendered (and the Trustee or applicable Registrar will select the tendered Notes of tendering holders on a pro rata basis, or such other basis in accordance with DTC procedures with respect to the Dollar Notes or the procedures of Euroclear and Clearstream with respect to the Euro Notes, based on the amount of Notes tendered).

Pending the final application of any Net Proceeds, the holder of such Net Proceeds may apply such Net Proceeds temporarily to reduce Indebtedness outstanding under a revolving credit facility or otherwise invest such Net Proceeds in any manner not prohibited by the Indenture.

We will comply with the requirements of Rule 14e-1 under the Exchange Act and any other securities laws and regulations thereunder to the extent such laws or regulations are applicable in connection with the repurchase of the Notes pursuant to an Asset Sale Offer. To the extent that the provisions of any securities laws or regulations conflict with the provisions of an Indenture, we will comply with the applicable securities laws and regulations and shall not be deemed to have breached its obligations set forth in the Indenture by virtue thereof.

The provisions under the Indenture relative to our obligation to make an offer to repurchase the Notes as a result of an Asset Sale may be waived or modified, with respect to a series of Notes, with the written consent of the Holders of a majority in principal amount of the Notes of the applicable series then outstanding.

Future credit agreements or other similar agreements to which we become a party may contain restrictions on our ability to repurchase Notes. In the event an Asset Sale occurs at a time when we are prohibited from purchasing Notes, we could seek the consent of its lenders to the repurchase of Notes or could attempt to refinance the borrowings that contain such prohibition. If we does not obtain such consent or repay such borrowings, we will remain prohibited from repurchasing Notes. In such a case, our failure to repurchase tendered Notes when required by the Indenture would constitute an Event of Default under the Indenture which would, in turn, likely constitute a default under such other agreements.

Certain Covenants

Set forth below are summaries of certain covenants contained in the Indenture that apply to us and our Restricted Subsidiaries. For the avoidance of doubt, all covenant basket sizes including any definitions relating thereto are as specified in U.S. dollars, including with respect to the Euro Notes.

If on any date following the Issue Date (i) the Notes of a series have Investment Grade Ratings from both Rating Agencies, and (ii) no Default or Event of Default has occurred and is continuing under the Indenture, then, beginning on that day (the occurrence of the events described in the foregoing clauses (i) and (ii) being collectively referred to as a “Covenant Suspension Event”) and continuing until the occurrence of the Reversion Date, the covenants specifically listed under the following captions in this “Description of the Notes” section of this prospectus will not be applicable to such Notes (collectively, the “Suspended Covenants)”:

(1)
“Repurchase at the Option of Holders—Asset Sales;”

(2)
“Limitation on Restricted Payments;”

(3)
“Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock;”

(4)
clause (4) of the first paragraph of “—Merger, Consolidation or Sale of All or Substantially All Assets—Company;”

(5)

“Transactions with Affiliates;” and

(6)
“Dividend and Other Payment Restrictions Affecting Restricted Subsidiaries.”

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During any period that the foregoing covenants have been suspended, we may not designate any of our Subsidiaries as Unrestricted Subsidiaries, unless such designation would have complied with the covenant described under "Limitation on Restricted Payments" as if such covenant were in effect during such period.

If and while we and our Restricted Subsidiaries are not subject to the Suspended Covenants, the applicable Notes will be entitled to substantially less covenant protection. In the event that we and our Restricted Subsidiaries are not subject to the Suspended Covenants under an Indenture for any period of time as a result of the foregoing, and on any subsequent date (the "Reversion Date") one or both of the Rating Agencies withdraw their Investment Grade Rating or downgrade the rating assigned to the applicable Notes below an Investment Grade Rating, then we and our Restricted Subsidiaries will thereafter again be subject to the Suspended Covenants under the Indenture with respect to future events. The period of time between the Suspension Date and the Reversion Date is referred to in this description as the "Suspension Period." Upon the occurrence of a Covenant Suspension Event, the amount of Excess Proceeds from Asset Sales shall be reset to zero.

During any Suspension Period, we will not, and will not permit any Restricted Subsidiary to, enter into any Sale and Lease-Back Transaction; provided, however, that we or any Restricted Subsidiary may enter into a Sale and Lease-Back Transaction if (i) we or such Restricted Subsidiary could have incurred a Lien to secure the Indebtedness attributable to such Sale and Lease-Back Transaction pursuant to "—Liens" below without equally and ratably securing the Notes pursuant to the covenant described therein; and (ii) the consideration received by us or such Restricted Subsidiary in that Sale and Lease-Back Transaction is at least equal to the fair market value of the property sold and otherwise complies with "—Repurchase at the Option of Holders—Asset Sales" above; provided further that the foregoing provisions shall cease to apply on and subsequent to any Reversion Date.

During the Suspension Period, we and our Restricted Subsidiaries will be entitled to incur Liens to the extent provided for under "—Liens" (including, without limitation, Permitted Liens) to the extent provided for in such covenant, and any Permitted Liens that refer to one or more Suspended Covenants shall be interpreted as though such applicable Suspended Covenant(s) continued to be applicable during the Suspension Period (but solely for purposes of the "—Liens" covenant and for no other covenant).

Notwithstanding the foregoing, in the event of any such reinstatement, no action taken or omitted to be taken by us or any of our Restricted Subsidiaries during the Suspension Period will give rise to a Default or Event of Default under any of the Suspended Covenants; provided that (1) after such reinstatement, the amount of Restricted Payments since the Issue Date will be calculated as though the covenant described below under the caption "—Limitation on Restricted Payments" had been in effect prior to, but not during, the Suspension Period; (2) all Indebtedness incurred, or Disqualified Stock issued, during the Suspension Period will be classified to have been incurred or issued pursuant to clause (3) of the second paragraph of "—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock;" (3) any Affiliate Transaction entered into after such reinstatement pursuant to an agreement entered into during any Suspension Period shall be deemed to be permitted pursuant to clause (11) of the second paragraph of the covenant described under "—Transactions with Affiliates;" and (4) any encumbrance or restriction on the ability of any Restricted Subsidiary that is not a Guarantor to take any action described in clauses (1) through (3) of the first paragraph of the covenant described under "—Dividend and Other Payment Restrictions Affecting Restricted Subsidiaries" that becomes effective during any Suspension Period shall be deemed to be permitted pursuant to clause (a) of the second paragraph of the covenant described under "—Dividend and Other Payment Restrictions Affecting Restricted Subsidiaries."

There can be no assurance that the Notes will ever receive Investment Grade Ratings or, if such ratings are received, that the Notes will maintain such Investment Grade Ratings.

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Limitation on Restricted Payments

We will not, and will not permit any of our Restricted Subsidiaries to, directly or indirectly:

(I)

declare or pay any dividend or make any payment or distribution on account of our or any of our Restricted Subsidiaries' Equity Interests, including any dividend or distribution payable in connection with any merger or consolidation involving us or any Restricted Subsidiary, other than:

(a)

dividends or distributions by us payable solely in our Equity Interests (other than Disqualified Stock); or

(b)

dividends or distributions by a Restricted Subsidiary so long as, in the case of any dividend or distribution payable on or in respect of any class or series of securities issued by a Restricted Subsidiary, we or a Restricted Subsidiary receive 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, redeem, defease or otherwise acquire or retire for value any Equity Interests of us, or any direct or indirect parent of us, including any such purchase, redemption, defeasance, acquisition or retirement in connection with any merger or consolidation;

(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, sinking fund payment or maturity, any Subordinated Indebtedness, other than (a) Indebtedness permitted under clause (7) or (8) of the second paragraph of the covenant described under "—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock" or (b) the payment, redemption, repurchase, defeasance or other acquisition of Subordinated Indebtedness in anticipation of satisfying a rescheduled payment, sinking fund obligation, principal installment or maturity, in each case due within one year of the date of payment, redemption, repurchase, defeasance or acquisition; or

(IV)

make any Restricted Investment

(all such payments and other actions set forth in clauses (I) through (IV) above (other than any exceptions thereto) being collectively referred to as "Restricted Payments"), unless, at the time of such Restricted Payment:

(1)

no Default shall have occurred and be continuing or would occur as a consequence thereof;

(2)

immediately after giving effect to such transaction on a pro forma basis, we could incur $1.00 of additional Indebtedness under the provisions of the first paragraph of the covenant described under "—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock;" and

(3)

such Restricted Payment, together with the aggregate amount of all other Restricted Payments made by us and our Restricted Subsidiaries after the Issue Date (including Restricted Payments permitted by clause (1) of the next succeeding paragraph, but excluding all other Restricted Payments permitted by the next succeeding paragraph), is less than the sum of (without duplication):

(a)

50% of our Consolidated Net Income for the period (taken as one accounting period) beginning on April 1, 2015 to the end of our most recently ended fiscal quarter for which internal financial statements are available at the time of such Restricted Payment, or, in the case such Consolidated Net Income for such period is a deficit, minus 100% of such deficit; plus

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(b)
100% of the aggregate net cash proceeds and the fair market value of marketable securities or other property received by us since immediately after the Issue Date (other than net cash proceeds to the extent such net cash proceeds have been used to incur Indebtedness, or issue Disqualified Stock or Preferred Stock, pursuant to clause (12)(a) of the second paragraph of "—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock") from the issue or sale of:

i.
our Equity Interests, including Treasury Capital Stock, but excluding cash proceeds and the fair market value of marketable securities or other property received from the sale of:

(x)
Equity Interests to any present, former or future employees, directors, officers, managers or consultants of us or any of our Subsidiaries after the Issue Date to the extent such amounts have been applied to the amount of available Restricted Payments in accordance with clause (5) of the next succeeding paragraph; and

(y)
Designated Preferred Stock; and

ii.
debt securities of us or any Restricted Subsidiary that have been converted into or exchanged for such Equity Interests of us;

provided, however, that this clause (b) shall not include the proceeds from (W) Refunding Capital Stock (as defined below), (X) our Equity Interests or convertible debt securities sold to a Restricted Subsidiary, (Y) Disqualified Stock or debt securities that have been converted into Disqualified Stock or (Z) Excluded Contributions; plus

(c)
100% of the aggregate net cash proceeds and the fair market value of marketable securities or other property received by us or any Restricted Subsidiary by means of:

(i)
the sale or other disposition (other than to us or a Restricted Subsidiary) of Restricted Investments made by us or our Restricted Subsidiaries and repurchases and redemptions of such Restricted Investments from us or our Restricted Subsidiaries and repayments of loans or advances that constitute Restricted Investments by us or our Restricted Subsidiaries, in each case after the Issue Date; or

(ii)
the sale (other than to us or a Restricted Subsidiary) of the stock of an Unrestricted Subsidiary (other than to the extent the Investment in such Unrestricted Subsidiary was made by us or a Restricted Subsidiary pursuant to clause (11) or (17) of the next succeeding paragraph or to the extent such Investment constituted a Permitted Investment) or a distribution or dividend from an Unrestricted Subsidiary, in each case, after the Issue Date; plus

(d)
in the case of the redesignation of an Unrestricted Subsidiary as a Restricted Subsidiary, the fair market value (as determined in good faith by us, provided that if such fair market value may exceed $50.0 million, such determination shall be made by our Board of Directors and evidenced by a board resolution) of the Investment in such Unrestricted Subsidiary at the time of the redesignation of such Unrestricted Subsidiary as a Restricted Subsidiary other than to the extent the Investment in such Unrestricted Subsidiary was made by us or a Restricted Subsidiary pursuant to clause (11) or (17) of the next succeeding paragraph or to the extent such Investment constituted a Permitted Investment.

The foregoing provisions will not prohibit:

(1)

the payment of any dividend or distribution or the consummation of any irrevocable redemption within 60 days after the date of declaration thereof or the giving of the irrevocable redemption notice, as applicable, if at the date of declaration or notice such payment would have complied with the provisions of the Indenture;

(2)

the redemption, repurchase, defeasance, retirement or other acquisition of any of our Equity Interests ("Treasury Capital Stock") or Subordinated Indebtedness in exchange for, or out of the proceeds of the substantially concurrent sale (other than to a Restricted Subsidiary) of, our Equity Interests to the extent contributed to us (in each case, other than any Disqualified Stock or

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Designated Preferred Stock) ("Refunding Capital Stock") and (b) if immediately prior to the retirement of Treasury Capital Stock, the declaration and payment of dividends thereon was permitted under clause (7) of this paragraph, the declaration and payment of dividends on the Refunding Capital Stock in an aggregate per annum amount no greater than the aggregate amount of dividends per annum that were declarable and payable on such Treasury Capital Stock immediately prior to such retirement;

(3)

any other Restricted Payment made in exchange for, or out of the proceeds of the substantially concurrent sale (other than to a Restricted Subsidiary) of, our Equity Interests (other than any Disqualified Stock or Designated Preferred Stock);

(4)

the redemption, repurchase, defeasance or other acquisition or retirement of Subordinated Indebtedness or Disqualified Stock of us or a Subsidiary Guarantor made in exchange for, or out of the proceeds of the substantially concurrent sale of, new Indebtedness or Disqualified Stock of us or a Subsidiary Guarantor, as the case may be, that in each case is incurred in compliance with the "—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock" but only:

(a)

to the extent that the principal amount (or accreted value, if applicable) of such new Indebtedness does not exceed the principal amount (or accreted value, if applicable) of, plus any accrued and unpaid interest on, the Subordinated Indebtedness being so redeemed, repurchased, acquired or retired for value, plus the amount of any premium to be paid, defeasance costs and any fees and expenses incurred in connection with the issuance of such new Indebtedness, and any excess amount is otherwise permitted under the Indenture;

(b)

if such new Indebtedness is subordinated to the Notes or the applicable Guarantee at least to the same extent, if at all, as such Subordinated Indebtedness so purchased, exchanged, redeemed, repurchased, defeased, acquired or retired for value;

(c)

if such new Indebtedness or Disqualified Stock has a final scheduled maturity date equal to or later than the final scheduled maturity date of the Subordinated Indebtedness or Disqualified Stock being so redeemed, repurchased, defeased, acquired or retired; and

(d)

if such new Indebtedness or Disqualified Stock has a Weighted Average Life to Maturity equal to or greater than the remaining Weighted Average Life to Maturity of the Subordinated Indebtedness or Disqualified Stock being so redeemed, repurchased, defeased, acquired or retired;

(5)

a Restricted Payment to pay for the repurchase, redemption or other acquisition or retirement for value of our Equity Interests (other than Disqualified Stock) held by any future, present or former employee, director, officer, manager or consultant of us or any of our Subsidiaries pursuant to any management equity plan or stock option plan or any other management, director or employee benefit plan or agreement (x) upon the death or disability of such employee, director, officer, manager or consultant or (y) upon the resignation or other termination of employment of such employee, director, officer, manager or consultant; provided, however, that the aggregate Restricted Payments made under this clause (5) do not exceed in any calendar year $40.0 million (with unused amounts in any calendar year being carried over to succeeding calendar years); provided further that such amount in any calendar year may be increased by an amount not to exceed:

(a)
the cash proceeds from the sale of our Equity Interests (other than Disqualified Stock) to employees, directors, officers, managers or consultants of us or any of our Restricted Subsidiaries that occurs after the Issue Date, to the extent the cash proceeds from the sale of such Equity Interests have not otherwise been applied to the payment of Restricted Payments by virtue of clause (3) of the preceding paragraph; plus

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(b)
the cash proceeds of key man life insurance policies received by us or our Restricted Subsidiaries after the Issue Date; less

(c)
the amount of any Restricted Payments previously made with the cash proceeds described in clause (a) or (b) of this clause (5);

and provided further that (i) cancellation of Indebtedness owing to us or any of our Restricted Subsidiaries from any future, present or former employees, directors, officers, managers or consultants of us or any of our Restricted Subsidiaries in connection with a repurchase of our Equity Interests and (ii) the repurchase of Equity Interests deemed to occur upon the exercise of options, warrants or similar instruments if such Equity Interests represents all or a portion of the exercise price thereof or payments, in lieu of the issuance of fractional Equity Interests or withholding to pay other taxes payable in connection therewith, in the case of each of clauses (i) and (ii), will not be deemed to constitute a Restricted Payment for purposes of this covenant or any other provision of the Indenture;

(6)
the declaration and payment of dividends to holders of any class or series of Disqualified Stock of us or any of our Restricted Subsidiaries, or of Preferred Stock of any Restricted Subsidiary, in each case issued in accordance with the covenant described under "—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock;" and

(7) (a) the declaration and payment of dividends to holders of any class or series of Designated Preferred Stock (other than Disqualified Stock) issued by us after the Issue Date;

(b)
the declaration and payment of dividends on Refunding Capital Stock that is Preferred Stock in excess of the dividends declarable and payable thereon pursuant to clause (2) of this paragraph;

provided, however, in the case of each of subclauses (a) and (b) of this clause (7), that for the most recently ended four full fiscal quarters for which internal financial statements are available immediately preceding the date of issuance of such Designated Preferred Stock or Refunding Capital Stock that is Preferred Stock, after giving effect to such issuance or declaration on a pro forma basis, we and our Restricted Subsidiaries on a consolidated basis would have had a Fixed Charge Coverage Ratio of at least 2.00 to 1.00;

(8)
repurchases of Equity Interests deemed to occur (i) upon the exercise of stock options, warrants or other equity-based awards if such Equity Interests represent a portion of the exercise price of such options, warrants or awards or (ii) for the purposes of satisfying any required tax withholding obligation upon the exercise or vesting of a grant or award of any stock options, warrants or other equity-based awards;

(9)
the declaration and payment of ordinary dividends or distributions in respect of, or repurchases of, our common stock in an aggregate amount not to exceed (a) for dividends declared and paid or distributions made in respect of, or repurchases during, the period commencing on the Issue Date and ending on December 31, 2015, an aggregate of $200.0 million in respect of such period and (b) for dividends declared and paid or distributions made in respect of, or repurchases during, any subsequent fiscal year, an aggregate of $400.0 million in respect of such period;

(10)
Restricted Payments in an amount equal to the amount of Excluded Contributions previously received;

(11)

other Restricted Payments in an aggregate amount taken together with all other Restricted Payments made pursuant to this clause (11) not to exceed the greater of $350.0 million and 5.50% of Total Assets;

(12)
Restricted Payments comprising the payment or distribution of any Securitization Fees;

(13)
the repurchase, redemption or other acquisition or retirement for value of any Subordinated Indebtedness in accordance with the provisions similar to those described under the captions

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"—Repurchase at the Option of Holders—Change of Control" and "—Repurchase at the Option of Holders—Asset Sales;" pro that all Notes tendered in connection with a Change of Control Offer or Asset Sale Offer, as applicable, have first been repurchased, redeemed or acquired for value;

(14)

the distribution, by dividend or otherwise, of shares of Capital Stock of, or Indebtedness owed to us or a Restricted Subsidiary by, Unrestricted Subsidiaries (other than Unrestricted Subsidiaries the primary assets of which are cash and/or Cash Equivalents);

(15)

any Restricted Payment made as part of the Transactions in a manner consistent in all material respects with the disclosures set forth in the Form 10 and this prospectus; provided that immediately after giving effect to the Separation and Distribution, we and our Restricted Subsidiaries shall, subject to the adjustment procedures for Cash Equivalents (as such term is defined in the Separation Agreement) set forth in the Separation Agreement in relation to such requirement, have not less than $200.0 million in Cash Equivalents (as such term is defined in the Separation Agreement);

(16)

payments made or expected to be made by us or any Restricted Subsidiary in respect of withholding or similar taxes payable by any of our or any Restricted Subsidiary's present, former or future employees, directors, officers, managers or consultants; and

(17)

the making of other Restricted Payments if, at the time of the making of such Restricted Payment, and after giving pro forma effect thereto (including, without limitation, the incurrence of any Indebtedness to finance such Restricted Payment and the application of the net proceeds thereof), our Consolidated Net Leverage Ratio would not exceed 3.00 to 1.00;

provided, however, that at the time of, and after giving effect to, any Restricted Payment permitted under clauses (3), (9), (11), (14) and (17), no Default shall have occurred and be continuing or would occur as a consequence thereof.

For purposes of determining compliance with this covenant, in the event that a proposed Restricted Payment (or a portion thereof) meets the criteria of clauses (1) through (17) above or is entitled to be made pursuant to the first paragraph of this covenant, we will be entitled to classify or later reclassify (based on circumstances existing on the date of such reclassification) such Restricted Payment (or a portion thereof) between such clauses (1) through (17) and such first paragraph in any manner that otherwise complies with this covenant.

As of the Issue Date, all of our Subsidiaries were Restricted Subsidiaries, and as of the date hereof, all of our Subsidiaries are Restricted Subsidiaries. We will not permit any Unrestricted Subsidiary to become a Restricted Subsidiary except pursuant to the penultimate sentence of the definition of "Unrestricted Subsidiary." For purposes of designating any Restricted Subsidiary as an Unrestricted Subsidiary, all outstanding Investments by us and our Restricted Subsidiaries (except to the extent repaid) in the Subsidiary so designated will be deemed to be Restricted Payments in an amount determined as set forth in the last sentence of the definition of "Investments." Such designation will be permitted only if a Restricted Payment in such amount would be permitted at such time, whether pursuant to the first paragraph of this covenant or under clause (3), (10), (11) or (17) of the second paragraph of this covenant, or if it is a Permitted Investment, and if such Subsidiary otherwise meets the definition of an Unrestricted Subsidiary. Unrestricted Subsidiaries will not be subject to any of the restrictive covenants set forth in the Indenture.

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

We will not, and will not permit any of our Restricted Subsidiaries to, directly or indirectly, create, incur, issue, assume, guarantee or otherwise become directly or indirectly liable, contingently or otherwise (collectively, "incur" and each instance thereof, an "incurrence"), with respect to any Indebtedness (including Acquired Indebtedness), and we will not issue any shares of Disqualified Stock and will not permit any Restricted Subsidiary to issue any shares of Disqualified Stock or Preferred Stock; provided, however, that we may incur Indebtedness (including Acquired

Indebtedness) or issue shares of Disqualified Stock, and any of our Restricted Subsidiaries may incur indebtedness (including Acquired Indebtedness), issue shares of Disqualified Stock and issue shares of Preferred Stock, if the Fixed Charge Coverage Ratio

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on a consolidated basis for us and our Restricted Subsidiaries' most recently ended four fiscal quarters for which internal financial statements are available immediately preceding the date on which such additional Indebtedness is incurred or such Disqualified Stock or Preferred Stock is issued would have been at least 2.00 to 1.00, determined on a pro forma basis (including a pro forma application of the net proceeds therefrom), as if the additional Indebtedness had been incurred, or the Disqualified Stock or Preferred Stock had been issued, as the case may be, and the application of proceeds therefrom had occurred at the beginning of such four-quarter period.

The foregoing limitations will not apply to:

(1)

the incurrence of Indebtedness pursuant to Credit Facilities by us or any of our Restricted Subsidiaries and the issuance and creation of letters of credit and bankers' acceptances thereunder (with letters of credit and bankers' acceptances being deemed to have a principal amount equal to the face amount thereof), up to an aggregate principal amount at any one time outstanding not to exceed the greater of (a) $3,200 million and (b) 375.0% of the EBITDA of us and our Restricted Subsidiaries on a consolidated basis for the most recently ended four fiscal quarters ending immediately prior to the date of such incurrence for which internal financial statements are available determined on a pro forma basis in a manner consistent with the definition of Fixed Charge Coverage Ratio;

(2)

the incurrence by us and any Subsidiary Guarantor of Indebtedness under the Notes (including Guarantees thereof) (other than any Additional Notes) and any notes (including Guarantees thereof) issued in exchange for the Notes pursuant to a registration rights agreement;

(3)

Indebtedness and Disqualified Stock of us and our Restricted Subsidiaries in existence on the Issue Date;

(4)

Indebtedness (including Capitalized Lease Obligations) and Disqualified Stock incurred or issued by us or any of our Restricted Subsidiaries, and the issuance of Preferred Stock by any of our Restricted Subsidiaries, to finance the purchase, lease or improvement of property (real or personal) or equipment that is used or useful in a Similar Business, whether through the direct purchase of assets or the purchase of Capital Stock of any Person owning such assets, in an aggregate principal amount at the date of such incurrence (including all Refinancing Indebtedness incurred to refinance any other Indebtedness incurred pursuant to this clause (4)) not to exceed the greater of $300.0 million and 4.75% of Total Assets (as adjusted to give pro forma effect to any assets purchased with the proceeds of the Indebtedness to be incurred, provided that such assets are acquired substantially concurrently with the incurrence of such Indebtedness); provided, however, that such Indebtedness exists at the date of such purchase or transaction or is created within 365 days thereafter (for the avoidance of doubt, the purchase date for any asset shall be the later of the date of completion of installation and the beginning of the full productive use of such asset);

(5)

Indebtedness incurred by us or any of our Restricted Subsidiaries 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, death, disability or other employee benefits or property, casualty or liability insurance, 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 (a) are reimbursed within 30 days following such drawing or incurrence or (b) are permitted to be incurred (and thereupon shall deemed to be incurred) pursuant to clause (4) above following the expiry of such 30 day period;

(6)

Indebtedness arising from agreements of us or our Restricted Subsidiaries providing for indemnification, adjustment of purchase price or similar obligations, including earnouts, in each case, incurred or assumed in connection with the disposition of any business, assets or a Subsidiary, other than guarantees of Indebtedness incurred by any Person

acquiring all or any portion of such business, assets or a Subsidiary for the purpose of financing such acquisition; provided, however, that such Indebtedness is not reflected on the balance sheet of us or any of our Restricted Subsidiaries (contingent obligations referred to in a footnote to financial statements

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and not otherwise reflected on the balance sheet will not be deemed to be reflected on such balance sheet for purposes of this clause (6));

(7)

Our Indebtedness to a Restricted Subsidiary; provided that any such Indebtedness owing to a Restricted Subsidiary that is not a Subsidiary Guarantor shall be subordinated in right of payment to the Notes; provided further that any subsequent issuance or transfer of any Capital Stock or any other event which results in the Restricted Subsidiary holding such Indebtedness ceasing to be a Restricted Subsidiary or any other subsequent transfer of any such Indebtedness (except to us or another Restricted Subsidiary) shall be deemed, in each case, to be an incurrence of such Indebtedness not permitted by this clause (7);

(8)

Indebtedness of a Restricted Subsidiary to us or another Restricted Subsidiary; provided that if a Subsidiary Guarantor incurs such Indebtedness to a Restricted Subsidiary that is not a Subsidiary Guarantor, such Indebtedness shall be subordinated in right of payment to the Guarantee of the Notes of such Subsidiary Guarantor; provided further that any subsequent issuance or transfer of any Capital Stock or any other event which results in any such Indebtedness being held by a person other than us or a Restricted Subsidiary or any subsequent transfer of any such Indebtedness (except to us or another Restricted Subsidiary) shall be deemed, in each case, to be an incurrence of such Indebtedness not permitted by this clause (8);

(9)

shares of Preferred Stock of a Restricted Subsidiary issued to us or another Restricted Subsidiary; provided that any subsequent issuance or transfer of any Capital Stock or any other event which results in any such Restricted Subsidiary ceasing to be a Restricted Subsidiary or any other subsequent transfer of any such shares of Preferred Stock (except to us or another Restricted Subsidiary) shall be deemed in each case to be an issuance of such shares of Preferred Stock not permitted by this clause (9);

(10)

Hedging Obligations (excluding Hedging Obligations entered into for speculative purposes) for the purpose of limiting interest rate risk with respect to any Indebtedness of us or any Restricted Subsidiary permitted to be incurred pursuant to "—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock," exchange rate risk or commodity pricing risk;

(11)

obligations in respect of self-insurance and obligations in respect of performance, bid, appeal, stay, surety, customs and replevin bonds and performance and completion guarantees provided by us or any of our Restricted Subsidiaries in the ordinary course of business;

(12) (a) Our Indebtedness or Disqualified Stock and Indebtedness, Disqualified Stock or Preferred Stock of any Restricted Subsidiary equal to 100.0% of the net cash proceeds received by us since immediately after the Issue Date from the issue or sale of our Equity Interests or cash contributed to our capital (in each case, other than proceeds of Disqualified Stock, Designated Preferred Stock or sales of Equity Interests to us or any of our Subsidiaries) as determined in accordance with clauses (3)(c) of the first paragraph of "—Limitation on Restricted Payments" to the extent such net cash proceeds or cash have not been applied pursuant to such clauses to make Restricted Payments or to make other Investments, payments or exchanges pursuant to the second paragraph of "—Limitation on Restricted Payments" or to make a Permitted Investment and

(b)

Our Indebtedness or Disqualified Stock and Indebtedness, Disqualified Stock or Preferred Stock of any Restricted Subsidiary not otherwise permitted hereunder in an aggregate principal amount or liquidation preference that, when aggregated with the principal amount and liquidation preference of all other Indebtedness, Disqualified Stock and

Preferred Stock then outstanding and incurred pursuant to this clause (12)(b), does not exceed the greater of $350.0 million and 5.50% of Total Assets (as adjusted to give pro forma effect to any assets purchased with the proceeds of the Indebtedness to be incurred, provided that such assets are acquired substantially concurrently with the incurrence of such Indebtedness);

(13)
the incurrence or issuance by us or any Restricted Subsidiary of Indebtedness or Disqualified Stock, and the issuance by any Restricted Subsidiary of Preferred Stock, in each case that serves

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to refund, refinance, replace, renew, extend or defease any of our Indebtedness or Disqualified Stock or any Restricted Subsidiary or Preferred Stock of any Restricted Subsidiary incurred or issued as permitted under the first paragraph of this covenant or clause (2), (3), (4) or (12)(a) above, this clause (13) or clause (14) below or any Indebtedness, Disqualified Stock or Preferred Stock previously incurred or issued to so refund, refinance, replace, renew, extend or defease such Indebtedness or Disqualified Stock or Preferred Stock, including additional Indebtedness, Disqualified Stock or Preferred Stock incurred or issued to pay premiums (including tender premiums), defeasance costs, accrued interest, fees and expenses in connection therewith (the "Refinancing Indebtedness") prior to its respective maturity; provided, however, that such Refinancing Indebtedness:

(a)

has a Weighted Average Life to Maturity at the time such Refinancing Indebtedness is incurred that is not less than the remaining Weighted Average Life to Maturity of the Indebtedness or Disqualified Stock or Preferred Stock being refunded, refinanced, replaced, renewed, extended or defeased (or requires no or nominal payments in cash prior to the date that is 91 days after the maturity date of the Notes);

(b)

to the extent such Refinancing Indebtedness refunds, refinances, replaces, renews, extends or defeases (i) Subordinated Indebtedness, such Refinancing Indebtedness is subordinated in right of payment to the Notes or the Guarantee thereof at least to the same extent as the Indebtedness being refunded, refinanced, replaced, renewed, extended or defeased or (ii) Disqualified Stock or Preferred Stock, such Refinancing Indebtedness must be Disqualified Stock or Preferred Stock, respectively; and

(c)

shall not include:

i.

Indebtedness, Disqualified Stock or Preferred Stock of our Subsidiary that is not a Guarantor that refinances our Indebtedness, Disqualified Stock or Preferred Stock;

ii.

Indebtedness, Disqualified Stock or Preferred Stock of our Subsidiary that is not a Guarantor that refinances Indebtedness, Disqualified Stock or Preferred Stock of a Subsidiary Guarantor; or

iii.

Our Indebtedness or Disqualified Stock or Indebtedness, Disqualified Stock or Preferred Stock of a Restricted Subsidiary that refinances Indebtedness, Disqualified Stock or Preferred Stock of an Unrestricted Subsidiary;

and, provided further that subclause (a) of this clause (13) will not apply to any refunding, refinancing, replacement, renewal, extension or defeasance of any Secured Indebtedness;

(14)

(x) Our Indebtedness or Disqualified Stock and Indebtedness, Disqualified Stock or Preferred Stock of a Restricted Subsidiary incurred or issued to finance an acquisition (or other purchase of assets) or (y) Indebtedness, Disqualified Stock or Preferred Stock of Persons that are acquired by us or any Restricted Subsidiary or merged into or consolidated with us or a Restricted Subsidiary in accordance with the terms of the Indenture; provided that in the case of (x) and (y) after giving effect to such acquisition, merger or consolidation, either (a) we would be permitted to incur at least $1.00 of additional Indebtedness pursuant to the Fixed Charge Coverage Ratio test set forth in the first sentence of this covenant or (b) the Fixed Charge Coverage Ratio of us and the Restricted Subsidiaries is greater than immediately prior to such acquisition;

(15)

Indebtedness arising from the honoring by a bank or other financial institution of a check, draft or similar instrument drawn against insufficient funds in the ordinary course of business;

(16) Indebtedness of us or any of our Restricted Subsidiaries supported by a letter of credit issued pursuant to Credit Facilities, in a principal amount not in excess of the stated amount of such letter of credit;

(17) (a) any guarantee by us or a Restricted Subsidiary of Indebtedness or other obligations of any Restricted Subsidiary so long as the incurrence of such Indebtedness incurred by such Restricted Subsidiary is permitted under the terms of the Indenture, and

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(b)
any guarantee by a Restricted Subsidiary of our Indebtedness.

(18)
Indebtedness of us or any of our Restricted Subsidiaries consisting of (i) the financing of insurance premiums or (ii) take-or-pay obligations contained in supply arrangements, in each case incurred in the ordinary course of business;

(19)
Indebtedness consisting of Indebtedness issued by us or any of our Restricted Subsidiaries to current or former officers, directors and employees thereof, their respective estates, spouses or former spouses, in each case to finance the purchase or redemption of our Equity Interests or our direct or indirect parent company to the extent described in clause (4) of the second paragraph under the heading "—Limitation on Restricted Payments;"

(20)
Indebtedness consisting of cash management services incurred in the ordinary course of business, including in respect of credit card obligations, overdrafts and related liabilities arising from treasury, depositary and cash management services or in connection with any automated clearinghouse transfers of funds;

(21)
customer deposits and advance payments received in the ordinary course of business from customers for goods purchased in the ordinary course of business;

(22)
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 us and our Restricted Subsidiaries with such banks or financial institutions and arising in connection with ordinary banking arrangements to manage cash balances of us and our Restricted Subsidiaries;

(23)
Indebtedness incurred by us or a Restricted Subsidiary in connection with bankers' acceptances or discounted bills of exchange, in each case incurred or undertaken consistent with past practice or in the ordinary course of business;

(24)
Indebtedness of our Foreign Subsidiaries in an amount not to exceed, at any one time outstanding and together with any other Indebtedness incurred under this clause (24), the greater of $250.0 million and 4.00% of Total Assets;

(25)
Indebtedness incurred by a Securitization Special Purpose Entity pursuant to a Qualified Securitization Transaction that is without recourse to us or to any Restricted Subsidiary (other than Standard Securitization Undertakings);

(26)
to the extent constituting Indebtedness, any obligations incurred as part of the Transactions in a manner consistent in all material respects with the disclosures set forth in the Form 10 and this prospectus; and

(27)
Indebtedness representing guarantees of Indebtedness of joint ventures of us or any Restricted Subsidiary not to exceed the greater of $100.0 million and 1.50% of Total Assets.

For purposes of determining compliance with this covenant:
(1)

in the event that an item of Indebtedness, Disqualified Stock or Preferred Stock (or any portion thereof) meets the criteria of more than one of the categories of permitted Indebtedness, Disqualified Stock or Preferred Stock described in clauses (1) through (27) above or is entitled to be incurred pursuant to the first paragraph of this covenant, we, in our sole discretion, will classify or reclassify such item of Indebtedness, Disqualified Stock or Preferred Stock (or any portion thereof) and will only be required to include the amount and type of such Indebtedness, Disqualified Stock or Preferred Stock in one of the above clauses or under the first paragraph of this covenant; and

(2)
at the time of incurrence, we will be entitled to divide and classify an item of Indebtedness in more than one of the types of Indebtedness described in the first and second paragraphs above; provided that all Indebtedness outstanding under the Senior Secured Credit Facilities on the Issue Date will be treated as incurred under clause (1) of the preceding paragraph.

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Notwithstanding the above, Restricted Subsidiaries that are not Subsidiary Guarantors may not incur Indebtedness or issue Disqualified Stock or Preferred Stock pursuant to the first paragraph of this covenant or clause (12), (13), (14) or (24) of this covenant if, after giving pro forma effect to such incurrence or issuance (including a pro forma application of the net proceeds therefrom), the aggregate amount of Indebtedness, Disqualified Stock and Preferred Stock of Restricted Subsidiaries that are not Subsidiary Guarantors incurred or issued pursuant to the first paragraph of this covenant or clause (12), (13), (14) or (24) of this covenant at any one time outstanding would exceed the greater of $500.0 million and 8.00% of Total Assets (as adjusted to give pro forma effect to any assets purchased with the proceeds of the Indebtedness to be incurred, provided that such assets are acquired substantially concurrently with the incurrence of such Indebtedness).

Accrual of interest or dividends, the accretion of accreted value, the accretion or amortization of original issue discount, the payment of interest in the form of additional Indebtedness and the payment of dividends in the form of additional Disqualified Stock or Preferred Stock, as applicable, will in each case not be deemed to be an incurrence of Indebtedness or Disqualified Stock or Preferred Stock for purposes of this covenant.

For purposes of determining compliance with any U.S. dollar-denominated restriction on the incurrence of Indebtedness, the U.S. 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, 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 U.S. dollar denominated restriction to be exceeded if calculated at the relevant currency exchange rate in effect on the date of such refinancing, such U.S. dollar-denominated restriction shall be deemed not to have been exceeded so long as the principal amount of such refinancing Indebtedness does not exceed (a) the principal amount of such Indebtedness being refinanced, plus (b) the aggregate amount of fees, underwriting discounts, premiums (including tender premiums) and other costs and expenses (including original issue discount, upfront fees or similar fees) incurred in connection with such refinancing.

The principal amount of any Indebtedness incurred to refinance other Indebtedness, if incurred in a different currency from the Indebtedness being refinanced, shall be calculated based on the currency exchange rate applicable to the currencies in which such respective Indebtedness is denominated that is in effect on the date of such refinancing.

The Indenture provides that we will not, and will not permit any Subsidiary Guarantor to, directly or indirectly, incur any Indebtedness (including Acquired Indebtedness) that is expressly subordinated or junior in right of payment to any Indebtedness of us or such Subsidiary Guarantor, as the case may be, unless such Indebtedness is expressly subordinated in right of payment to the Notes or such Subsidiary Guarantor's Guarantee to the extent and on substantially identical terms as such Indebtedness is subordinated to other Indebtedness of us or such Subsidiary Guarantor, as the case may be.

The Indenture treats (1) unsecured Indebtedness as subordinated or junior to Secured Indebtedness merely because it is unsecured or (2) Senior Indebtedness as subordinated or junior to any other Senior Indebtedness merely because it has a junior priority with respect to the same collateral or because such other Senior Indebtedness is guaranteed by other obligors.

Liens

We will not, and will not permit any Subsidiary Guarantor to, directly or indirectly, create, incur, assume or otherwise cause or suffer to exist any Lien (except Permitted Liens) that secures obligations under any Indebtedness or any related Guarantee of us or any Subsidiary Guarantor, on any asset or property of us or any Subsidiary Guarantor, or any income or profits therefrom, or assign or convey any right to receive income therefrom, unless:

(1)

in the case of any Liens securing Subordinated Indebtedness, the Notes and related Guarantees are secured by a Lien on such property, assets or proceeds that is senior in priority to such Liens; and

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(2)
in all other cases, the Notes or the Guarantees are equally and ratably secured, except that the foregoing shall not apply to or restrict Liens securing obligations in respect of the Notes (and exchange notes with respect thereto) and the related Guarantees.

Any Lien created for the benefit of the Holders of the Notes pursuant to this covenant shall be deemed automatically and unconditionally released and discharged upon the release and discharge of each of the Lien (other than a release as a result of the enforcement of remedies in respect of such Lien or the Obligations secured by such Lien) that gave rise to the obligation to secure the Notes or such Guarantee pursuant to the preceding paragraph.

Merger, Consolidation or Sale of All or Substantially All Assets

Company. We may not, directly or indirectly, consolidate or merge with or into or wind up into (whether or not we are the surviving corporation) or sell, assign, transfer, lease, convey or otherwise dispose of all or substantially all of our properties or assets, in one or more related transactions, to any Person unless:

(1)
we are the surviving entity or the Person formed by or surviving any such consolidation or merger (if other than us) or to which such sale, assignment, transfer, lease, conveyance or other disposition will have been made is a corporation, partnership (including a limited partnership), trust or limited liability company organized or existing under the laws of the jurisdiction of organization of us or the laws of the United States, any state thereof, the District of Columbia or any territory thereof (such Person, as the case may be, being herein called the "Successor Company"); provided that in the case where the Successor Company is not a corporation, a co-obligor of the Notes is a corporation;

(2)
the Successor Company, if other than us, expressly assumes all of our obligations under the Notes, pursuant to a supplemental indenture or other documents or instruments;

(3)
immediately after such transaction, no Default or Event of Default exists;

(4)
immediately after giving pro forma effect to such transaction and any related financing transactions, as if such transactions had occurred at the beginning of the applicable four-quarter period,

(a)
we or the Successor Company, as applicable, would be permitted to incur at least $1.00 of additional Indebtedness pursuant to the Fixed Charge Coverage Ratio test set forth in the first paragraph of the covenant described under "—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock," or

(b)
The Fixed Charge Coverage Ratio of us (or, if applicable, the Successor Company) and our Restricted Subsidiaries would be equal to or greater than such ratio of us and our Restricted Subsidiaries immediately prior to such transaction;

(5)
each Subsidiary Guarantor, unless (i) it is the other party to the transactions described above, in which case subclause (b) of the second succeeding paragraph shall apply or (ii) we are the surviving entity, shall have by supplemental indenture confirmed that its Guarantee shall apply to such Person's obligations under the Indenture and the applicable Notes; and

(6)

we (or, if applicable, the Successor Company) shall have delivered to the Trustee an Officer's Certificate and an Opinion of Counsel, each stating that such consolidation, merger or transfer and such supplemental indenture, if any, complies with the Indenture.

The Successor Company will succeed to, and be substituted for, us under the Indenture, the Guarantees and the Notes, as applicable. Notwithstanding the foregoing clauses (3) and (4),

(1)

any Restricted Subsidiary may consolidate with or merge into or transfer all or part of its properties and assets to us or a Subsidiary Guarantor, and

(2)

we may merge with our Affiliate, as the case may be, solely for the purpose of reincorporating us in the United States, any state thereof, the District of Columbia or any territory thereof or for the sole purpose of forming or collapsing a holding company structure.

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Subsidiary Guarantors. Subject to certain limitations set forth in the Indenture governing release of a Guarantee upon the sale, disposition or transfer of a Subsidiary Guarantor, no Subsidiary Guarantor will, and we will not permit any Subsidiary Guarantor to, consolidate or merge with or into or wind up into (whether or not such Subsidiary Guarantor is the surviving corporation), or sell, assign, transfer, lease, convey or otherwise dispose of all or substantially all of its properties or assets, in one or more related transactions, to, any Person unless:

(1) (a) such Guarantor is the surviving entity or the Person formed by or surviving any such consolidation or merger (if other than such Guarantor) or to which such sale, assignment, transfer, lease, conveyance or other disposition will have been made is a corporation, partnership, trust or limited liability company organized or existing under the laws of the jurisdiction of organization of such Guarantor, as the case may be, or the laws of the United States, any state thereof, the District of Columbia or any territory thereof (such Guarantor or such Person, as the case may be, being herein called the "Successor Person");

(b)
the Successor Person, if other than a Guarantor, expressly assumes all the obligations of such Guarantor under the Indenture and such Guarantor's related Guarantee pursuant to a supplemental indenture or other documents or instruments;

(c)
immediately after such transaction, no Default or Event of Default exists; and

(d)
we shall have delivered to the Trustee an Officer's Certificate and an Opinion of Counsel, each stating that such consolidation, merger or transfer and such supplemental indenture, if any, complies with the Indenture;

(2)
the transaction is made in compliance with the covenant described under "—Repurchase at the Option of Holders—Asset Sales," if applicable; or

(3)
in the case of assets comprised of Equity Interests of Subsidiaries that are not Guarantors, such Equity Interests are sold, assigned, transferred, leased, conveyed or otherwise disposed of to one or more Restricted Subsidiaries.

Subject to certain limitations set forth in the Indenture, the Successor Person will succeed to, and be substituted for, such Guarantor under the Indenture and such Guarantor's Guarantee. Notwithstanding the foregoing, any Subsidiary Guarantor may (1) merge or consolidate with or into, wind up into or transfer all or part of its properties and assets to another Subsidiary Guarantor or us, (2) merge with our Affiliate solely for the purpose of reincorporating the Subsidiary Guarantor in the United States, any state thereof, the District of Columbia or any territory thereof, (3) convert into a corporation, partnership, limited partnership, limited liability company or trust organized or existing under the laws of the jurisdiction of organization of such Subsidiary Guarantor or (4) liquidate or dissolve or change its legal form if we determine in good faith that such action is in our best interests, in each case, without regard to the requirements set forth in the preceding paragraph.

Transactions with Affiliates

We will not, and will not permit any of our Restricted Subsidiaries to, make any payment to, or sell, lease, transfer or otherwise dispose of any of its properties or assets to, or purchase any property or assets from, or enter into, or make or amend, any transaction, contract, agreement, understanding, loan, advance or guarantee with, or for the benefit of, any of our Affiliates (each of the foregoing, an "Affiliate Transaction") involving aggregate payments or consideration in excess of $25.0 million, unless:

(1)
such Affiliate Transaction is on terms that are not materially less favorable, taken as a whole, as determined in good faith by us, to us or the relevant Restricted Subsidiary than those that would have been obtained in a comparable

transaction by us or such Restricted Subsidiary with an unrelated Person on an arm's-length basis; and

(2)
we deliver to the Trustee, with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate payments or consideration in excess of $50.0 million, a

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resolution adopted by the majority of the disinterested members of our Board of Directors approving such Affiliate Transaction and set forth in an Officer's Certificate certifying that such Affiliate Transaction complies with clause (1) above.

The foregoing provisions will not apply to the following:

(1)
transactions between or among us or any of our Restricted Subsidiaries;

(2)
Restricted Payments permitted by the provisions of the Indenture described above under the covenant "—Limitation on Restricted Payments" and the definition of "Permitted Investment;"

(3)
the payment of reasonable and customary compensation and fees paid to, and indemnities provided for the benefit of, or employment, service or benefit plan agreements with or for the benefit of, former, current or future officers, directors, employees or consultants of us or any of our Restricted Subsidiaries;

(4)
transactions in which we or any of our Restricted Subsidiaries, as the case may be, delivers to the Trustee a letter from an Independent Financial Advisor either stating that such transaction is fair to us or such Restricted Subsidiary from a financial point of view or stating that such terms are not materially less favorable to us or our relevant Restricted Subsidiary than those that would have been obtained in a comparable transaction by us or such Restricted Subsidiary with an unrelated Person on an arm's-length basis;

(5)
any agreement as in effect as of the Issue Date, or any amendment, supplement, modification, extension or renewal thereto or thereof or any transaction contemplated thereby (including pursuant to any amendment, supplement, modification, extension or renewal thereto or thereof) or by any replacement agreement thereto (so long as any such amendment or replacement agreement is not more disadvantageous to the Holders in any material respect when taken as a whole as compared to the applicable agreement as in effect on the Issue Date as determined in good faith by us);

(6)
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 the Indenture that are fair to us and our Restricted Subsidiaries, as determined in good faith by us, or are on terms at least as favorable as might reasonably have been obtained at such time from an unaffiliated party;

(7)
the sale and/or issuance of Equity Interests of us to any of our directors, officers, employees or consultants or our Restricted Subsidiaries;

(8)
any issuances of securities or other payments, awards, grants in cash, securities or otherwise or loans (or cancellation of loans) to employees or consultants of us or any of our Restricted Subsidiaries pursuant to, or for the funding of, employment arrangements or agreements, stock option plans, stock ownership plans and other similar arrangements with such employees or consultants which, in each case, are approved by us in good faith;

(9)
any transaction with any Person that is an Affiliate of us or any Restricted Subsidiary that would constitute an Affiliate Transaction solely because we or any Restricted Subsidiary owns (directly or indirectly) an equity interest in, or controls (including pursuant to any management agreement or otherwise), such Person;

(10)
transactions with joint ventures on terms that are not materially less favorable, taken as a whole, to us or any Restricted Subsidiary (as applicable), as determined in good faith by us, than the other joint venture partner(s);

(11)
the Transactions and the payment of all fees and expenses related to the Transactions;

(12)
transactions effected as part of a Qualified Securitization Transaction;

(13)
transactions with Affiliates solely in their capacity as holders of Indebtedness or Capital Stock of us or any Restricted Subsidiary where such Affiliate receives the same consideration or is treated in the same manner as non-Affiliates that are party to (or have the benefit of) such transaction; and

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(14)
any agreement that grants SEC registration rights or customary exchange offer rights to the direct or indirect securityholders of us or any Restricted Subsidiary (and the performance of any such agreement).

Dividend and Other Payment Restrictions Affecting Restricted Subsidiaries

We will not, and will not permit any of our Restricted Subsidiaries that are not Guarantors to, directly or indirectly, create or otherwise cause or suffer to exist or become effective any consensual encumbrance or consensual restriction on the ability of any Restricted Subsidiary that is not a Guarantor to:

(1) (a) pay dividends or make any other distributions to us or any Subsidiary Guarantor on its Capital Stock, or

(b)
pay any Indebtedness owed to us or any Subsidiary Guarantor;

(2)
make loans or advances to us or any Subsidiary Guarantor; or

(3)
sell, lease or transfer any of its properties or assets to us or any Subsidiary Guarantor, except (in each case) for such encumbrances or restrictions existing under or by reason of:

(a)
contractual encumbrances or restrictions in effect on the Issue Date, including pursuant to the Senior Secured Credit Facilities and the related documentation and Hedging Obligations in effect on the Issue Date and any related documentation;

(b)
the Indenture, the Notes and the Guarantees thereof;

(c)
purchase money obligations for property acquired in the ordinary course of business that impose restrictions of the nature discussed in clause (3) above on the property so acquired;

(d)
applicable law or any applicable rule, regulation, order, approval, license, permit or other similar restriction, including under contracts with domestic or foreign governments or agencies thereof entered into in the ordinary course of business;

(e)
any agreement or other instrument (including an instrument governing Capital Stock or Indebtedness) of a Person acquired by us or any Restricted Subsidiaries in existence at the time of such acquisition or at the time it merges with or into us or any of our Restricted Subsidiaries or assumed in connection with the acquisition of assets from such Person (but, in any such case, not created in anticipation or contemplation thereof), which encumbrance or restriction is not applicable to any Person, or the properties or assets of any Person, other than the Person and its Subsidiaries, or the property or assets of the Person and its Subsidiaries, so acquired or the property or assets so assumed;

(f)
contracts for the sale of assets, including customary restrictions with respect to any of our Subsidiaries pursuant to an agreement that has been entered into for the sale or disposition of any Capital Stock or assets of such Subsidiary;

(g)

Secured Indebtedness otherwise permitted to be incurred pursuant to the covenants described under "—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock" and "—Liens," to the extent limiting the right of us or any of our Restricted Subsidiaries to dispose of assets subject to such Lien;

(h)
restrictions on cash or other deposits or net worth imposed by customers under contracts entered into in the ordinary course of business;

(i)
other Indebtedness, Disqualified Stock or Preferred Stock of Foreign Subsidiaries permitted to be incurred subsequent to the Issue Date pursuant to the provisions of the covenant described under "—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock;" provided that such encumbrances and restrictions apply only to such Restricted Subsidiary and its assets; and provided further that we have determined in good faith, at the time of creation of each such encumbrance or restriction, that such encumbrances and restrictions would not individually or in the aggregate have a material adverse effect on our ability to make required payments in respect of the Notes;

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(j)
customary provisions in joint venture agreements and other similar agreements or arrangements relating solely to such joint venture;

(k)
customary provisions contained in leases, licenses or similar agreements, including with respect to intellectual property and other agreements, in each case, entered into in the ordinary course of business;

(l)
non-assignment provisions of any contract or any lease of any Restricted Subsidiary entered into in the ordinary course of business;

(m)
restrictions on the transfer of assets subject to any Lien permitted under the Indenture imposed by the holder of such Lien;

(n)
any agreement or instrument governing Capital Stock of any Person that is acquired;

(o)
restrictions or conditions contained in any trading, netting, operating, construction, service, supply, purchase, sale or other agreement to which we or any of our Restricted Subsidiaries are a party entered into in the ordinary course of business; provided that such agreement prohibits the encumbrance solely of the property or assets of us or such Restricted Subsidiary that are subject to such agreement, the payment rights arising thereunder or the proceeds thereof and does not extend to any other asset or property of us or such Restricted Subsidiary or the assets or property of another Restricted Subsidiary;

(p)
contractual requirements of a Securitization Special Purpose Entity in connection with a Qualified Securitization Transaction; provided that such restrictions apply only to such Securitization Special Purpose Entity;

(q)
any encumbrances, restrictions, contractual requirements or other provisions of the Separation and Distribution Documents or in connection with any of the Transactions in a manner consistent in all material respects with the disclosures set forth in the Form 10 and this prospectus;

(r)
any encumbrances or restrictions of the type referred to in clauses (1) and (2) above to the extent that such encumbrances or restrictions do not materially adversely affect the consolidated cash position of us and the Subsidiary Guarantors; or

(s)
any encumbrances or restrictions of the type referred to in clauses (1), (2) and (3) above imposed by any amendments, modifications, restatements, renewals, increases, supplements, refundings, replacements or refinancings of the contracts, instruments or obligations referred to in clauses (a) through (q) above; provided that such amendments, modifications, restatements, renewals, increases, supplements, refundings, replacements or refinancings are, in our good faith judgment, either (i) not materially more restrictive with respect to such encumbrance and other restrictions taken as a whole than those prior to such amendment, modification, restatement, renewal, increase, supplement, refunding, replacement or refinancing, or (ii) ordinary and customary with respect to such instruments and obligations at the time of such amendment, modification, restatement, renewal, increase, supplement, refunding, replacement or

refinancing; and

(t)
restrictions created in connection with any Receivables Facility that are customarily entered into in relation to transactions of that nature.

Reports and Other Information
For so long as we are subject to the reporting requirements of Section 13 or 15(d) of the Exchange Act, we will file with the SEC (subject to the next sentence), and provide to the Trustee and holders of the Notes, within the time periods specified in such Sections:

- all quarterly and annual reports that would be required to be filed with the SEC on Forms 10-Q and 10-K if we were required to file such reports; and

- all current reports that would be required to be filed with the SEC on Form 8-K if we were required to file such reports.

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All such reports will be prepared in all material respects in accordance with the rules and regulations applicable to such reports. While we remain subject to the periodic reporting requirements of the Exchange Act, we agree that we will not take any action for the purpose of causing the SEC not to accept such filings.

If, at any time, we are not subject to the reporting requirements of Section 13 or 15(d) of the Exchange Act for any reason, we will nevertheless post the substance of the reports specified above (other than separate financial statements or condensed consolidating financial information required by Rule 3-10 or 3-16 of Regulation S-X) on our website and will provide those to the Trustee (but will not be required to file such reports with the SEC), in each case within the time periods that would apply if we were required to file those reports with the SEC.

For purposes of this covenant, we will be deemed to have provided a required report to the Trustee and holders of the Notes if it has timely filed such report with the SEC via the EDGAR filing system (or any successor system).

In addition, at any time when we are not subject to the reporting requirements of Section 13 or 15(d) of the Exchange Act, we will furnish to the holders of the Notes and to prospective investors, upon the requests of such holders, any information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act so long as the Notes are not freely transferable under the Securities Act.

Notwithstanding the foregoing, in the event that our direct or indirect parent company becomes a guarantor of the Notes, the Indenture permits us to satisfy our obligations pursuant to this covenant with respect to financial information relating to us by furnishing or filing the required financial information relating to such direct or indirect parent company.

In addition, (i) the Trustee shall be entitled (but not obligated) and (ii) holders of not less than 25% of the aggregate principal amount of the then outstanding Notes of a series shall be entitled, each at any time, to request in writing that we provide to the Trustee, within 20 Business Days following such request, an Officer's Certificate confirming whether or not we, as at the end of the most recently ended quarterly period, had designated any of our Subsidiaries to be Unrestricted Subsidiaries that, alone or taken together, represented either (a) 10% or more of our total assets as at the end of the relevant period, (b) 10% or more of our consolidated net income for the relevant most recent consecutive four-quarter period, or (c) 10% or more of our consolidated earnings before interest, taxes, depreciation and amortization for the relevant most recent consecutive four-quarter period (the "Trustee Notice Requirement"). A copy of any such request delivered by the relevant holders pursuant to clause (ii) above shall be provided to the Trustee. If the Trustee Notice Requirement is satisfied, the Officer's Certificate to be delivered pursuant to the foregoing requirement shall specify (a) the Total Assets, the Consolidated Net Income and the EBITDA of us and our Restricted Subsidiaries and (b) the total assets, the consolidated net income and the earnings before interest, taxes, depreciation and amortization of the Unrestricted Subsidiaries. The Trustee shall deliver such Officer's Certificate to the Holders of the Notes within five Business Days of the date of receipt by the Trustee of the Officer's Certificate, and the Trustee shall not have any responsibility or liability for any information set forth in such Officer's Certificate or for any analysis thereof.

Events of Default and Remedies

The Indenture provides that each of the following is an Event of Default:

(1)
default in payment when due and payable (whether at maturity, upon redemption, acceleration or otherwise) of principal of, or premium, if any, on the Notes;

(2)
default for 30 days or more in the payment when due of interest on or with respect to the Notes;

(3)
failure by us or any Subsidiary Guarantor for 60 days after receipt of written notice given by the Trustee or the Holders of not less than 25% of the aggregate principal amount of the then outstanding Notes of a series (with a copy to the Trustee) to comply with any of our or any of the Subsidiary Guarantor's respective other obligations, covenants or agreements (other than a default referred to in clauses (1) and (2) above) contained in the Indenture or the applicable Notes;

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(4)
default under any mortgage, indenture or instrument under which there is issued or by which there is secured or evidenced any Indebtedness for money borrowed by us or any of our Restricted Subsidiaries or the payment of which is guaranteed by us or any of our Restricted Subsidiaries, other than Indebtedness owed to us or a Restricted Subsidiary, whether such Indebtedness or guarantee now exists or is created after the issuance of the Notes, if both:

(a)
such default either results from the failure to pay any principal of such Indebtedness at its stated final maturity (after giving effect to any applicable grace periods) or relates to an obligation other than the obligation to pay principal of any such Indebtedness at its stated final maturity and results in the holder or holders of such Indebtedness causing such Indebtedness to become due prior to its stated maturity; and

(b)
the principal amount of such Indebtedness, together with the principal amount of any other such Indebtedness in default for failure to pay principal at stated final maturity (after giving effect to any applicable grace periods), or the maturity of which has been so accelerated, aggregates $100.0 million or more;

(5)
failure by us or any Significant Subsidiary to pay final judgments for the payment of money aggregating in excess of $100.0 million, which final judgments remain unpaid, undischarged and unstayed for a period of more than 60 days after such judgment becomes final and non-appealable, and in the event such judgment is covered by insurance, an enforcement proceeding has been commenced by any creditor upon such judgment or decree which is not promptly stayed;

(6)
certain events of bankruptcy or insolvency with respect to us or any Significant Subsidiary; or

(7)
the Guarantee of any Significant Subsidiary shall for any reason cease to be in full force and effect or be declared null and void, or any responsible officer of any Subsidiary Guarantor that is a Significant Subsidiary denies in writing that it has any further liability under its Guarantee or gives notice to such effect, other than by reason of the termination of the Indenture or the release of any such Guarantee in accordance with the Indenture.

If any Event of Default (other than of a type specified in clause (6) above) occurs and is continuing under the Indenture, the Trustee or the Holders of not less than 25% of the aggregate principal amount of all then outstanding Notes of the applicable series may declare the principal, premium, if any, interest and any other monetary obligations on all the then outstanding Notes of such series to be due and payable immediately.

Upon the effectiveness of such declaration, such principal of and premium, if any, and interest will be due and payable immediately. Notwithstanding the foregoing, in the case of an Event of Default arising under clause (6) of the first paragraph of this section, all outstanding Notes will become due and payable without further action or notice on the part of the Trustee or any Holder. The Indenture provides that the Trustee may withhold from the Holders notice of any continuing Default, except a Default relating to the payment of principal, premium, if any, or interest, if it determines that withholding notice is in their interest. In addition, the Trustee will have no obligation to accelerate the Notes.

The Indenture provides that the Holders of a majority of the aggregate principal amount of all then outstanding Notes of a series, by notice to the Trustee, may on behalf of the Holders of all of the Notes of such series waive any existing Default and its consequences under the Indenture except a continuing Default in the payment of interest on, premium, if any, or the principal of any Note held by a non-consenting Holder and rescind any acceleration with respect to the Notes and its consequences (provided such rescission would not conflict with any judgment or decree of a court of competent jurisdiction).

In the event of any Event of Default specified in clause (4) above, such Event of Default and all consequences thereof (excluding any resulting payment default, other than as a result of acceleration of the Notes) shall be annulled, waived and rescinded, automatically and without any action by the Trustee or the Holders, if within 30 days after such Event of Default arose:

(1)

the Indebtedness or guarantee that is the basis for such Event of Default has been discharged;

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(2)
Holders thereof have rescinded or waived the acceleration, notice or action (as the case may be) giving rise to such Event of Default; or

(3)
the default that is the basis for such Event of Default has been cured.

The Trustee will be under no obligation to exercise any of the rights or powers under the Indenture at the request or direction of any of the Holders of the Notes of a series unless the Holders have offered to the Trustee indemnity or security satisfactory to the Trustee against any loss, liability or expense. Except to enforce the right to receive payment of principal, premium (if any) or interest when due, no Holder of a Note may pursue any remedy with respect to the Indenture or the applicable Notes unless:

(1)
such Holder has previously given the Trustee notice that an Event of Default is continuing;

(2)
Holders of at least 25% in the aggregate principal amount of all then outstanding Notes of such series have requested the Trustee to pursue the remedy;

(3)
Holders of the applicable Notes have offered the Trustee security or indemnity satisfactory to the Trustee against any loss, liability or expense;

(4)
the Trustee has not complied with such request within 60 days after the receipt thereof and the offer of security or indemnity; and

(5)
Holders of a majority in principal amount of all then outstanding Notes of such series have not given the Trustee a direction inconsistent with such request within such 60-day period.

Subject to certain restrictions contained in the Indenture, the Holders of a majority in principal amount of the total outstanding Notes of a series are given the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or of exercising any trust or power conferred on the Trustee. The Trustee, however, may refuse to follow any direction that conflicts with law or the Indenture or that is unduly prejudicial to the rights of any other Holder of a Note or that would involve the Trustee in personal liability.

The Indenture provides that we are required to deliver to the Trustee annually a statement regarding compliance with the Indenture, and we are required, within 30 days of becoming aware of any continuing Default, to deliver to the Trustee a statement specifying such Default and steps to be taken to cure such Default.

No Personal Liability of Directors, Officers, Employees and Stockholders

None of our present, past or future directors, officers, employees, members, partners, incorporators or equityholders, any Guarantor or any of our Subsidiaries or any of their respective direct or indirect parent companies (except for us or any Subsidiary in its capacity as obligor or guarantor in respect of the Notes and not in its capacity as equityholder of any Subsidiary Guarantor) shall have any liability for any obligations of us or the Guarantors under the Notes, the Guarantees, the Indenture or for any claim based on, in respect of, or by reason of such obligations or their creation. Each Holder by accepting the Notes waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes. Such waiver may not be effective to waive liabilities under the federal securities laws and it is the view of the SEC that such waiver is against public policy.

Legal Defeasance and Covenant Defeasance

The Obligations of us and the Guarantors with respect to the Notes under the Indenture, the Notes or the Guarantees, as the case may be, will terminate (other than certain obligations) and will be released upon payment in full of all of the applicable Notes. We may, at our option and at any time, elect to have all of our Obligations discharged with respect to the Notes and have each Guarantor's obligation discharged with respect to its Guarantee ("Legal Defeasance") and cure all then existing Events of Default except for:

(1)

the rights of Holders of Notes to receive payments in respect of the principal of, premium, if any, and interest on the Notes when such payments are due solely out of the trust created pursuant to the Indenture;

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(2)
our Obligations with respect to Notes concerning issuing temporary Notes, registration of such Notes, replacement of mutilated, destroyed, lost or stolen Notes and the maintenance of an office or agency for payment and money for security payments held in trust;

(3)
the rights and immunities of the Trustee, and our obligations in connection therewith; and

(4)
the Legal Defeasance provisions of the Indenture.

In addition, we may, at our option and at any time, elect to have our obligations and those of each Guarantor released with respect to substantially all the restrictive covenants that are set forth in the Indenture ("Covenant Defeasance") and thereafter any omission to comply with such obligations shall not constitute a Default with respect to the applicable Notes. In the event Covenant Defeasance occurs, certain events (not including bankruptcy, receivership, rehabilitation and insolvency events pertaining to us) described under "—Events of Default and Remedies" will no longer constitute an Event of Default with respect to the applicable Notes.

In order to exercise either Legal Defeasance or Covenant Defeasance with respect to the Notes of the applicable series:

(1)
we must irrevocably deposit with the Trustee, in trust, (x) for the benefit of the Holders of any such Dollar Notes, cash in U.S. dollars, Government Securities, or a combination thereof, and (y) for the benefit of the Holders of any such Euro Notes, cash in euros, Government Securities, European Government Obligations or a combination thereof, in such amounts as will be sufficient, in the opinion of a nationally recognized firm of independent public accountants, to pay the principal of, premium, if any, and interest due on such Notes on the stated maturity date or on the redemption date, as the case may be, of such principal, premium, if any, or interest on such Notes and we must specify whether such Notes are being defeased to maturity or to a particular redemption date;

(2)
in the case of Legal Defeasance, we shall have delivered to the Trustee an Opinion of Counsel confirming that, subject to customary assumptions and exclusions,

(a)
we have received from, or there has been published by, the United States Internal Revenue Service a ruling, or

(b)
since the issuance of the Notes, there has been a change in the applicable U.S. federal income tax law,

in either case to the effect that, and based thereon such Opinion of Counsel shall confirm that, subject to customary assumptions and exclusions, the Holders of such Notes will not recognize income, gain or loss for U.S. federal income tax purposes, as applicable, as a result of such Legal Defeasance and will be subject to U.S. federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Legal Defeasance had not occurred;

(1)
in the case of Covenant Defeasance, we shall have delivered to the Trustee an Opinion of Counsel confirming that, subject to customary assumptions and exclusions, the Holders of such Notes will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such Covenant Defeasance and will be subject to such tax on the same amounts, in the same manner and at the same times as would have been the case if such Covenant Defeasance had not occurred;

(2)
no Default (other than that resulting from borrowing funds to be applied to make the deposit required to effect such Legal Defeasance or Covenant Defeasance and any similar and simultaneous deposit relating to other Indebtedness and, in each case, the granting of Liens in connection therewith) shall have occurred and be continuing on the date of such deposit;

(3)
such Legal Defeasance or Covenant Defeasance shall not result in a breach or violation of, or constitute a default under, the Senior Secured Credit Facilities or any other material agreement or instrument (other than the Indenture) to which we or any Guarantor are a party or by which we or any Guarantor are bound (other than that resulting with respect to any Indebtedness being

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defeased from any borrowing of funds to be applied to make the deposit required to effect such Legal Defeasance or Covenant Defeasance and any similar and simultaneous deposit relating to such Indebtedness, and the granting of Liens in connection therewith);

(4)

We shall have delivered to the Trustee an Officer's Certificate stating that the deposit was not made by us with the intent of defeating, hindering, delaying or defrauding any creditors of us or any Guarantor or others; and

(5)

we shall have delivered to the Trustee an Officer's Certificate and an Opinion of Counsel (which Opinion of Counsel may be subject to customary assumptions and exclusions) each stating that all conditions precedent provided for or relating to the Legal Defeasance or the Covenant Defeasance, as the case may be, have been complied with.

Notwithstanding the foregoing, the Opinion of Counsel required by clause (2) above with respect to a Legal Defeasance need not be delivered if all Notes of the applicable series not therefore delivered to the Trustee for cancellation (x) have become due and payable, or (y) will become due and payable on the maturity date within one year under arrangements satisfactory to the Trustee for the giving of notice of redemption by the Trustee in our name, and at our expense.

Satisfaction and Discharge

The Indenture will be discharged and will cease to be of further effect as to all Notes of the applicable series, when:

(1)

either

(a)

all Notes of such series theretofore authenticated and delivered, except lost, stolen or destroyed Notes which have been replaced or paid and Notes for whose payment money has theretofore been deposited in trust, have been delivered to the Trustee for cancellation; or

(b)

all Notes of such series not theretofore delivered to the Trustee for cancellation have become due and payable by reason of the making of a notice of redemption or otherwise, will become due and payable within one year or are to be called for redemption within one year under arrangements satisfactory to the Trustee for the giving of notice of redemption by the Trustee in the name, and at the expense, of us and us or any Guarantor has irrevocably deposited or caused to be deposited with the Trustee as trust funds in trust (x) solely for the benefit of the Holders of any Dollar Notes of such series, cash in U.S. dollars, Government Securities, or a combination thereof, and (y) solely for the benefit of the Holders of any Euro Notes of such series, cash in euros, Government Securities, European Government Obligations or a combination thereof, in each case, in such amounts as will be sufficient without consideration of any reinvestment of interest to pay and discharge the entire indebtedness on the Notes of such series not theretofore delivered to the Trustee for cancellation for principal, premium, if any, and accrued interest to the date of maturity or redemption;

(2)

we have paid or caused to be paid all sums payable by us under the Indenture; and

(3)

we have delivered irrevocable instructions to the Trustee to apply the deposited money toward the payment of the Notes of such series at maturity or the redemption date, as the case may be.

The Trustee will acknowledge the satisfaction and discharge of the Indenture if we have delivered to the Trustee an Officer's Certificate and an Opinion of Counsel each stating that all conditions precedent to satisfaction and discharge have been complied with.

Amendment, Supplement and Waiver
Except as provided below, the Indenture, any Guarantee and the Notes (in each case with respect to one or more series of Notes) may be amended or supplemented with the consent of the Holders of at least a majority in aggregate principal amount of the Notes of the applicable series then outstanding, including consents obtained in connection with a purchase of, or tender offer or exchange offer for, Notes and any existing Default or compliance with any provision of the Indenture or the Notes issued thereunder may be
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waived with the consent of the Holders of a majority in aggregate principal amount of the Notes of the applicable series then outstanding, other than Notes beneficially owned by us or our Affiliates (including consents obtained in connection with a purchase of or tender offer or exchange offer for the Notes).

The Indenture provides that, without the consent of each affected Holder of Notes of the applicable series, an amendment or waiver may not, with respect to any Notes of such series held by a non-consenting Holder:

(1)
make any change in the percentage of the principal amount of such Notes required for amendments or waivers;

(2)
reduce the principal of or change the fixed final maturity of any such Note or change the date on which any Notes may be subject to redemption or reduce the redemption price therefor:

(3)
reduce the rate of or change the time for payment of interest on any Note of such series;

(4)
(A) waive a Default in the payment of principal of or premium, if any, or interest on the Notes of such series, except a rescission of acceleration of the Notes by the Holders of a majority in aggregate principal amount of all then outstanding Notes of such series, and a waiver of the payment default that resulted from such acceleration, or (B) waive a Default in respect of a covenant or provision contained in the Indenture or any Subsidiary Guarantee which cannot be amended or modified without the consent of all Holders;

(5)
make any Dollar Note payable in money other than U.S. dollars or make any Euro Note payable in money other than euros;

(6)
make any change in these amendment and waiver provisions;

(7)
impair the right of any Holder to receive payment of principal of, premium, if any, or interest on such Holder’s Notes on or after the due dates therefor or to institute suit for the enforcement of any payment on or with respect to such Holder’s Notes or the Subsidiary Guarantees; or

(8)
make any change to or modify the ranking of the Notes of such series that would adversely affect the Holders thereof.

Notwithstanding the foregoing, we, any Guarantor (with respect to a Guarantee or the Indenture to which it is a party) and the Trustee may amend or supplement the Indenture and any Guarantee or Notes without the consent of any Holder:

(1)
to cure any ambiguity, omission, mistake, defect or inconsistency;

(2)
to provide for uncertificated Notes in addition to or in place of certificated Notes or to alter the provisions of the Indenture relating to the form of the Notes (including the related definitions) in a manner that does not materially adversely affect any Holder (as determined in good faith by us);

(3)
to comply with the covenant relating to mergers, consolidations and sales of assets;

(4)
to provide for the assumption of our or any Guarantor's obligations to the Holders;

(5)
to make any change that would provide any additional rights or benefits to the Holders or that does not adversely affect the legal rights under the Indenture of any such Holder (as determined in good faith by us);

(6)
to add covenants for the benefit of the Holders or to surrender any right or power conferred upon us or any Guarantor;

(7)
to evidence and provide for the acceptance and appointment under the Indenture of a successor Trustee thereunder pursuant to the requirements thereof;

(8)
to provide for the issuance of exchange notes or private exchange notes that are identical to exchange notes except that they are not freely transferable;

(9)
to provide for the issuance of Additional Notes in accordance with the Indenture;

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(10)
to add a Guarantor under the Indenture and to allow a Guarantor to execute a supplemental indenture and/or guarantee the Notes or to release a Guarantor in accordance with the terms of the Indenture;

(11)
to conform the text of the Indenture, Guarantees or the Notes to any provisions of this "Description of the Notes" to the extent that such provision in this "Description of the Notes" was intended to be a verbatim recitation of a provision of the Indenture, Guarantee or Notes (as determined in good faith by us);

(12)
to make any amendment to the provisions of the Indenture relating to the transfer and legending of Notes as permitted by the Indenture, including to facilitate the issuance and administration of the Notes; provided, however, that (i) compliance with the Indenture as so amended would not result in Notes being transferred in violation of the Securities Act or any applicable securities law and (ii) such amendment does not materially and adversely affect the rights of Holders to transfer Notes (in each case, as determined in good faith by us);

(13)
to provide for the issuance of the Notes in a manner consistent with the terms of the Indenture; or

(14)
to comply with requirements of the SEC in order to effect or maintain the qualification of the Indenture under the Trust Indenture Act.

The consent of the Holders is not necessary under the Indenture to approve the particular form of any proposed amendment or waiver. It is sufficient if such consent approves the substance of the proposed amendment or waiver. For purposes of determining whether the Holders of the requisite principal amount of Notes of a series have taken any action under the Indenture, the principal amount of Notes shall be deemed to be the principal amount of Notes as of (i) if a record date has been set with respect to the taking of such action, such date or (ii) if no such record date has been set, the date the taking of such action by the Holders of such requisite principal amount is certified to the Trustee by us.

Notices

Notices given by publication or electronic delivery will be deemed given on the first date on which publication or electronic delivery is made and notices given by first-class mail, postage prepaid, will be deemed given five calendar days after mailing or transmitting.

In addition, if and for so long as any of the Euro Notes are listed on the Official List of the Irish Stock Exchange and admitted to trading on the Global Exchange Market and the rules of the Irish Stock Exchange so require, notices with respect to the Euro Notes listed on the Global Exchange will be published through the Companies Announcement Office of the Irish Stock Exchange and/or, to the extent and in the manner permitted by the rules of the Irish Stock Exchange, on the official website of the Irish Stock Exchange.

Concerning the Trustee

The Indenture contains certain limitations on the rights of the Trustee thereunder, should it become our creditor, to obtain payment of claims in certain cases, or to realize on certain property received in respect of any such claim as security or otherwise. The Trustee will be permitted to engage in other transactions; however, if it acquires any conflicting interest, it must eliminate such conflict within 90 days, apply to the SEC for permission to continue as Trustee or resign.

The Indenture provides that the Holders of a majority in principal amount of all then outstanding Notes of the applicable series will have the right to direct the time, method and place of conducting any proceeding for exercising any remedy available to the Trustee, subject to certain exceptions. The Indenture provides that in case an Event of Default shall occur (which shall not be cured), the Trustee will be required, in the exercise of the rights and powers vested in it by the Indenture, to use the degree of care of a prudent person in the conduct of his own affairs. The

Trustee will be under no obligation to exercise any of its rights or powers under the Indenture at the request of any Holder of the Notes, unless such Holder shall have offered to the Trustee security and indemnity satisfactory to the Trustee against any loss, liability or expense.

Explanation of Responses:

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Governing Law

The Indenture, the Notes and any Guarantee are governed by and construed in accordance with the laws of the State of New York.

Certain Definitions

Set forth below are certain defined terms used in the Indenture. For purposes of the Indenture, unless otherwise specifically indicated, the term "consolidated" with respect to any Person refers to such Person consolidated with its Restricted Subsidiaries, and excludes from such consolidation any Unrestricted Subsidiary as if such Unrestricted Subsidiary were not an Affiliate of such Person.

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

(1)

Indebtedness of any other Person existing at the time such other Person is merged with or into or became a Restricted Subsidiary of such specified Person, including Indebtedness incurred in connection with, or in contemplation of, such other Person merging with or into or becoming a Restricted Subsidiary of such specified Person, and

(2)

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

"Affiliate" of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For purposes of this Description of the Notes, "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.

"Applicable Premium" means, as calculated by us with respect to any Note on any Redemption Date, the greater of:

(1)

1.0% of the principal amount of such Note; and

(2)

the excess, if any, of (a) the present value at such Redemption Date of (i) (A) in the case of the 2023 Dollar Notes, the redemption price of such 2023 Dollar Note at May 15, 2018 (such redemption price being set forth in the table appearing above under the heading "—Optional Redemption—2023 Dollar Notes") and (B) in the case of the Euro Notes, the redemption price of such Euro Note at May 15, 2018 (such redemption price being set forth in the table appearing above under the heading "—Optional Redemption—Euro Notes"), plus (ii) all required interest payments due on such Note through (x) in the case of the 2023 Dollar Notes, May 15, 2018, and (y) in the case of the Euro Notes, May 15, 2018 (in each case excluding accrued but unpaid interest to the Redemption Date), computed using a discount rate equal to, in the case of the 2023 Dollar Notes, the Treasury Rate or, in the case of the Euro Notes, the Bund Rate, in each case, as of such Redemption Date plus 50 basis points; over (b) the principal amount of such Note.

"Asset Sale" means:

(1)

the sale, conveyance, transfer or other disposition, whether in a single transaction or a series of related transactions, of property or assets (including by way of a Sale and Lease-Back Transaction) of us or any of our Restricted Subsidiaries (each referred to in this definition as a "disposition"); or

(2)

the issuance or sale of Equity Interests of any Restricted Subsidiary (other than Preferred Stock of Restricted Subsidiaries issued in compliance with the covenant described under "—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock"), whether in a single transaction or a series of related transactions;

in each case, other than:

(a)
any disposition of Cash Equivalents or Investment Grade Securities or surplus, obsolete or worn-out property or equipment in the ordinary course of business or any disposition of inventory or goods (or other assets) held for sale or no longer used in the ordinary course of business;

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(b)
the disposition of all or substantially all of our assets in a manner permitted pursuant to the provisions described above under "—Certain Covenants—Merger, Consolidation or Sale of All or Substantially All Assets" or any disposition that constitutes a Change of Control pursuant to the Indenture;

(c)
the making of any Restricted Payment or Permitted Investment that is permitted to be made, and is made, under the covenant described above under "—Certain Covenants—Limitation on Restricted Payments;"

(d)
any disposition of assets or issuance or sale of Equity Interests of any Restricted Subsidiary in any transaction or series of transactions with an aggregate fair market value of less than $75.0 million;

(e)
any disposition of property or assets or issuance of securities by our Restricted Subsidiary to us or by us or our Restricted Subsidiary to another one of our Restricted Subsidiaries;

(f)
to the extent allowable under Section 1031 of the Internal Revenue Code of 1986, as amended, or comparable law or regulation, any exchange of like property (excluding any boot thereon) for use in a Similar Business;

(g)
the lease, assignment or sub-lease of any real or personal property in the ordinary course of business or to the extent required by, or made pursuant to, customary buy/sell arrangements between joint venture parties set forth in any joint venture or similar binding agreement;

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

(i)
foreclosures, condemnations or any similar action with respect to assets or the granting of Liens not prohibited by the Indenture;

(j)
any financing transaction with respect to the acquisition or construction of property by us or any Restricted Subsidiary after the Issue Date, including Sale and Lease-Back Transactions, and asset securitizations permitted by the Indenture;

(k)
the licensing and sub-licensing of intellectual property or other general intangibles in the ordinary course of business or consistent with past practice;

(l)
the sale, discount or other disposition of inventory, accounts receivable or notes receivable in the ordinary course of business or the conversion of accounts receivable to notes receivable;

(m)
any surrender or waiver of contract rights or the settlement, release or surrender of contract rights or other litigation claims in the ordinary course of business;

(n)

any transfer, sale or other disposition of Securitization Assets to a Securitization Special Purpose Entity in connection with a Qualified Securitization Transaction; and

(o)
any disposition of assets effected pursuant to the Transactions.

“Asset Sale Offer” has the meaning set forth in the fourth paragraph under “—Repurchase at the Option of Holders—Asset Sales.”
“Board of Directors” means, with respect to a corporation, the Board of Directors of the corporation, and, with respect to any other Person, the board or committee of such Person, or Board of Directors of the general partner or general manager of such Person, serving a similar function.
“Bund Rate” means, as of any Redemption Date, the yield to maturity as of such Redemption Date of the most recently issued direct obligations of the Federal Republic of Germany (Bunds or Bundesanleihen) with a constant maturity (as compiled and published in the most recent financial statistics that have become publicly available at least two Business Days prior to the Redemption Date (or in connection with a discharge, two Business Days prior to the date of deposit with the Trustee or paying agent, as applicable) (or, if such financial statistics are no longer published or not available, any publicly available source of similar market data)) most nearly equal to the period from the Redemption Date to May 15, 2018; provided, however, that if the period from the redemption date to May 15, 2018 is not equal to the constant
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maturity of the direct obligation of the Federal Republic of Germany for which a weekly average yield is given, the Bund Rate shall be obtained by linear interpolation (calculated to the nearest one-twelfth of a year) from the weekly average yields of direct obligations of the Federal Republic of Germany for which such yields are given, except that if the period from the redemption date to May 15, 2018 is less than a year, the weekly average yield on actually traded direct obligations of the Federal Republic of Germany adjusted to a constant maturity of one year shall be used.

“Business Day” means each day that is not a Legal Holiday.

“Calculation Date” means the date on which the event for which the calculation of the Consolidated Net Leverage Ratio or the Fixed Charge Coverage Ratio, as applicable, shall occur.

“Capital Stock” means:

(1)
in the case of a corporation, corporate stock;

(2)
in the case of an association or business entity, any and all shares, interests, participations, rights or other equivalents (however designated) of corporate stock;

(3)
in the case of a partnership or limited liability company, partnership or membership interests (whether general or limited); and

(4)
any other interest or participation (including, without limitation, quotas) that confers on a Person the right to receive a share of the profits and losses of, or distributions of assets of, the issuing Person.

“Capitalized Lease Obligation” means, at the time any determination thereof is to be made, the amount of the liability in respect of a capital lease that would at such time be required to be capitalized and reflected as a liability on a balance sheet (excluding the footnotes thereto) in accordance with GAAP; provided that any obligations of us or our Restricted Subsidiaries either existing on the Issue Date or created prior to any recharacterization described below (i) that were not included on our consolidated balance sheet as capital lease obligations and (ii) that are subsequently recharacterized as capital lease obligations due to a change in accounting treatment or otherwise, shall for all purposes under the Indenture (including, without limitation, the calculation of Consolidated Net Income and EBITDA) not be treated as capital lease obligations, Capitalized Lease Obligations or Indebtedness.

“Cash Equivalents” means:

(1)
U.S. dollars;

(2) (a) Canadian dollars, pounds sterling, Japanese yen, euros, Brazilian reais, Chinese yuan and the New Taiwan dollar; and

(b)
such other currencies held by us or any Restricted Subsidiary from time to time in the ordinary course of business;

(3)
securities issued or directly and fully and unconditionally guaranteed or insured by the U.S. government (or any agency or instrumentality thereof the securities of which are unconditionally guaranteed as a full faith and credit obligation of the U.S. government) and European Government Obligations, in each case with maturities of 24 months or less from the date of acquisition;

(4)
certificates of deposit, time deposits and Eurodollar time deposits with maturities of 24 months or less from the date of

acquisition, bankers' acceptances with maturities not exceeding one year and overnight bank deposits, in each case with any commercial bank having capital and surplus of not less than $500.0 million in the case of U.S. banks and $100.0 million (or the U.S. dollar equivalent as of the date of determination) in the case of non-U.S. banks;

(5)
repurchase obligations for underlying securities of the types described in clauses (3) and (4) entered into with any financial institution meeting the qualifications specified in clause (4) above;

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(6)
commercial paper rated at least P-1 by Moody's or at least A-1 by S&P (or, if at any time neither Moody's nor S&P shall be rating such obligations, an equivalent rating from another Rating Agency) and in each case maturing within 24 months after the date of creation thereof;

(7)
marketable short-term money market and similar securities having a rating of at least P-2 or A-2 from either Moody's or S&P, respectively (or, if at any time neither Moody's nor S&P shall be rating such obligations, an equivalent rating from another Rating Agency) and in each case maturing within 24 months after the date of creation thereof;

(8)
investment funds investing at least 95% of their assets in securities of the types described in clauses (1) through (7) above;

(9)
readily marketable direct obligations issued by any state, commonwealth or territory of the United States or any political subdivision thereof having an Investment Grade Rating from either Moody's or S&P with maturities of 24 months or less from the date of acquisition;

(10)
Indebtedness or Preferred Stock issued by Persons with a rating of "A" or higher from S&P or "A2" or higher from Moody's with maturities of 24 months or less from the date of acquisition;

(11)
Investments with average maturities of 24 months or less from the date of acquisition in money market funds rated AAA- (or the equivalent thereof) or better by S&P or Aaa3 (or the equivalent thereof) or better by Moody's; and

(12)
Investments in money market funds with average maturities of 24 months or less from the date of acquisition that are rated "Aaa3" by Moody's and "AAA" by S&P (or reasonably equivalent ratings of another internationally recognized rating agency).

Notwithstanding the foregoing, Cash Equivalents shall include amounts denominated in currencies other than those set forth in clauses (1) and (2) above; provided that such amounts are converted into any currency listed in clauses (1) and (2) as promptly as practicable and in any event within ten Business Days following the receipt of such amounts.
"Change of Control" means the occurrence of any one of the following:
(1)
the direct or indirect sale, lease, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or a series of related transactions, of all or substantially all of the assets of us and our Restricted Subsidiaries, taken as a whole, to any person, other than to us or one of our Restricted Subsidiaries;

(2)
we become 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 consummation of any transaction (including, without limitation, any merger or consolidation) the result of which is that any person becomes the beneficial owner, directly or indirectly, of more than 50% of our outstanding Voting Stock, measured by voting power rather than number of shares; or

(3)
the adoption of a plan relating to our liquidation or dissolution.

For the purposes of this definition, the term “person” shall be defined as that term is used in Section 13(d)(3) of the Exchange Act and the term “beneficial owner” shall be defined as that term is used in Rules 13d-3 and 13d-5 under the Exchange Act.

For the avoidance of doubt, the consummation of the Transactions shall not constitute a Change of Control.

“Consolidated Depreciation and Amortization Expense” means, with respect to any Person for any period, the total amount of depreciation and amortization expense and capitalized fees related to any Qualified Securitization Transaction or a Receivables Facility and amortization of intangible assets, debt issuance costs, commissions, fees and expenses, including the amortization of deferred financing fees of such Person and its Restricted Subsidiaries for such period on a consolidated basis and otherwise determined in accordance with GAAP (excluding, in each case, amortization expense attributable to a prepaid cash item that was paid in a prior period).

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“Consolidated Interest Expense” means, with respect to any Person for any period, without duplication, the sum 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), (d) the interest component of Capitalized Lease Obligations and (e) net payments, if any, made (less net payments, if any, received) pursuant to interest rate Hedging Obligations with respect to Indebtedness but excluding (u) penalties and interest relating to taxes; (v) accretion or accrual of discounted liabilities not constituting Indebtedness, (w) any expense resulting from the discounting of any outstanding Indebtedness in connection with the application of purchase accounting in connection with any acquisition, (x) amortization of deferred financing fees, debt issuance costs, commissions, fees and expenses, (y) any expensing of bridge, commitment and other financing fees and (z) commissions, discounts, yield and other fees and charges (including any interest expense) related to any Qualified Securitization Transaction or Receivables Facility); 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.

For purposes of this definition, interest on a Capitalized Lease Obligation shall be deemed to accrue at an interest rate reasonably determined by such Person to be the rate of interest implicit in such Capitalized Lease Obligation in accordance with GAAP.

“Consolidated Net Income” means, with respect to any Person for any period, the aggregate of the net income (loss) of such Person and its Restricted Subsidiaries for such period, on a consolidated basis, and otherwise determined in accordance with GAAP; provided, however, that, without duplication,

(1)
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 shall be excluded,

(2)
any after-tax effect of income (loss) from abandoned or discontinued operations and any net after-tax gains or losses on disposal of abandoned or discontinued operations shall be excluded,

(3)
any net after-tax gains or losses (less all fees and expenses relating thereto) attributable to asset dispositions or the sale or other disposition of any Capital Stock of any Person other than in the ordinary course of business, as determined in good faith by us, shall be excluded,

(4)
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 shall be excluded; provided that our Consolidated Net Income will be increased by the amount of dividends or distributions or other payments that are actually paid in cash (or to the extent converted into cash) or Cash Equivalents to the referent Person or a Restricted Subsidiary thereof in respect of such period (other than any such proceeds that are used to make a JV Reinvestment),

(5)
solely for the purpose of determining the amount available for Restricted Payments under clause (3)(a) of the first paragraph of "—Certain Covenants—Limitation on Restricted Payments," the Net Income for such period of any Restricted Subsidiary (other than any Subsidiary Guarantor) shall be excluded to the extent that the declaration or payment of dividends or similar distributions by that 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

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distributions has been legally waived; provided that our Consolidated Net Income will be increased by the amount of dividends or other distributions or other payments that are actually paid in cash (or to the extent converted into cash) or Cash Equivalents to us or a Restricted Subsidiary thereof in respect of such period, to the extent not already included therein,

(6)

any after-tax effect of income (loss) from the early extinguishment of Indebtedness or Hedging Obligations or other derivative instruments shall be excluded,

(7)

any impairment charge or asset write-off or write-down, including impairment charges or asset write-offs or write-downs related to intangible assets, physical assets (including commodities and inventory), long-lived assets or investments in debt and equity securities or as a result of a change in law or regulation, in each case, pursuant to GAAP and the amortization of intangibles arising pursuant to GAAP shall be excluded,

(8)

any non-cash compensation or similar charge or expense or reduction of revenue, including any such charge or amount arising from grants of stock appreciation or similar rights, stock options, restricted stock or other rights and any cash charges associated with the rollover, acceleration or payout of Equity Interests by management, other employees or business partners of us or any of our direct or indirect parent companies or subsidiaries shall be excluded,

(9)

any fees, expenses or charges incurred during such period, or any amortization thereof for such period, in connection with the Transactions, any acquisition, disposition, recapitalization, Investment, Asset Sale, issuance, repayment or amendment of Indebtedness, issuance of Equity Interests, refinancing transaction or amendment or modification of any debt instrument (in each case, including any such transaction consummated prior to the Issue Date and any such transaction undertaken but not completed), any non-cash expenses or charges recorded in accordance with GAAP relating to currency valuation of foreign denominated debt and any charges or non- recurring merger costs incurred during such period as a result of any such transaction including, without limitation, any non-cash expenses or charges recorded in accordance with GAAP relating to equity interests issued to non-employees in exchange for services provided in connection with any acquisition or business arrangement (in each case, including any such transaction consummated prior to the Issue Date and any such transaction undertaken but not completed) shall be excluded,

(10)

all extraordinary, unusual or non-recurring charges, gains and losses (whether cash or non-cash) (including, without limitation, all restructuring costs, facilities relocation costs, acquisition integration costs and fees, including cash severance payments made in connection with acquisitions, and any expense or charge related to the repurchase of Capital Stock or warrants or options to purchase Capital Stock), and the related tax effects according to GAAP shall be excluded,

(11)

inventory purchase accounting adjustments and amortization and impairment charges resulting from other purchase accounting adjustments in connection with acquisition transactions shall be excluded,

(12)

the following items shall be excluded:

(a)

any net unrealized gain or loss (after any offset) resulting in such period from Hedging Obligations and the application of ASC 815 Derivatives and Hedging; and

(b)
foreign currency and other non-operating gain or loss and foreign currency gain (loss) included in other operating expenses including any net unrealized gain or loss (after any offset) resulting in such period from currency translation gains or losses related to currency remeasurements of Indebtedness (including any net loss or gain resulting from hedge agreements for currency exchange risk).

In addition, to the extent not already included in the Consolidated Net Income of such Person and its Restricted Subsidiaries, notwithstanding anything to the contrary in the foregoing, Consolidated Net Income shall include the amount of proceeds actually received from business interruption insurance and reimbursements of any expenses and charges that are covered by indemnification or other reimbursement provisions in connection with any Permitted Investment or any sale, conveyance, transfer or other disposition of assets permitted under the Indenture.
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Notwithstanding the foregoing, for the purpose of the covenant described under "—Certain Covenants—Limitation on Restricted Payments" only (other than clause (3)(d) of the first paragraph thereof), there shall be excluded from Consolidated Net Income any income arising from any sale or other disposition of Restricted Investments made by us and our Restricted Subsidiaries, any repurchases and redemptions of Restricted Investments from us and our Restricted Subsidiaries, any repayments of loans and advances which constitute Restricted Investments by us or any of our Restricted Subsidiaries, any sale of the stock of an Unrestricted Subsidiary or any distribution or dividend from an Unrestricted Subsidiary, in each case to the extent such amounts increase the amount of Restricted Payments permitted under such covenant pursuant to clause (3)(c) or (3)(d) of the first paragraph thereof.

"Consolidated Net Leverage Ratio" means, as of the date of determination, the ratio of (a) the Indebtedness of us and our Restricted Subsidiaries as of such date of determination less Unrestricted Cash of us and our Restricted Subsidiaries as of such date of determination (in each case, determined after giving pro forma effect to such incurrence of Indebtedness, and each other incurrence, assumption, guarantee, redemption, retirement and extinguishment of Indebtedness as of such date of determination) to (b) EBITDA of us and our Restricted Subsidiaries for the most recent four fiscal quarter period ending immediately prior to such determination date for which internal financial statements are available. For purposes of determining the "Consolidated Net Leverage Ratio," "EBITDA" shall be subject to the adjustments applicable to "EBITDA" as provided for in the definition of "Fixed Charge Coverage Ratio."

"Contingent Obligations" means, with respect to any Person, any obligation of such Person guaranteeing any leases, dividends or other obligations that do not constitute Indebtedness ("primary obligations") of any other Person (the "primary obligor") in any manner, whether directly or indirectly, including, without limitation, any obligation of such Person, whether or not contingent,

(1)
to purchase any such primary obligation or any property constituting direct or indirect security therefor,

(2)
to advance or supply funds

(a)
for the purchase or payment of any such primary obligation, or

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

(3)
to purchase property, securities or services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation against loss in respect thereof.

"Credit Facilities" means, with respect to us or any of our Restricted Subsidiaries, one or more debt facilities, including the Senior Secured Credit Facilities, or other financing arrangements (including, without limitation, commercial paper facilities or indentures), providing for revolving credit loans, term loans or letters of credit or other long-term indebtedness, including any notes, mortgages, guarantees, collateral documents, instruments and agreements executed in connection therewith, and any amendments, supplements, modifications, extensions, renewals, restatements or refundings thereof and any indentures or credit facilities or commercial paper facilities that replace, refund or refinance any part of the loans, notes, other credit facilities or commitments thereunder, including any such replacement, refunding or refinancing facility or indenture that increases the amount permitted to be borrowed thereunder or alters the maturity thereof (provided that such increase in borrowings is permitted under "—Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock") or adds Restricted Subsidiaries as additional borrowers or guarantors thereunder and whether by the same or any other agent, lender, investor or group of lenders.

“Default” means any event that is, or with the passage of time or the giving of notice or both would be, an Event of Default.

“Designated Non-cash Consideration” means the fair market value of non-cash consideration received by us or a Restricted Subsidiary in connection with an Asset Sale that is so designated as Designated Non-cash Consideration pursuant to an Officer’s Certificate, setting forth the basis of such valuation, executed by our principal financial officer, less the amount of cash or Cash Equivalents received in connection with a subsequent sale of or collection on such Designated Non-cash Consideration.

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"Designated Preferred Stock" means Preferred Stock of us or any parent corporation thereof (in each case other than Disqualified Stock) that is issued for cash (other than to a Restricted Subsidiary or an employee stock ownership plan or trust established by us or any of our Subsidiaries) and is so designated as Designated Preferred Stock pursuant to an Officer's Certificate executed by our principal financial officer on the issuance date thereof, the cash proceeds of which are excluded from the calculation set forth in clause (3) of the first paragraph of the "—Certain Covenants—Limitation on Restricted Payments" covenant.

"Disqualified Stock" means, 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 putable or exchangeable, or upon the happening of any event, matures or is mandatorily redeemable (other than solely as a result of a change of control or asset sale and other than redeemable for Capital Stock of such Person that is not itself Disqualified Stock) pursuant to a sinking fund obligation or otherwise, or is redeemable at the option of the holder thereof (other than solely as a result of a change of control or asset sale and other than redeemable for Capital Stock of such Person that is not itself Disqualified Stock), in whole or in part, in each case prior to the date that is 91 days after the maturity date of the Notes; provided, however, that if such Capital Stock is issued to any plan for the benefit of employees of us or our 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 us or our Subsidiaries in order to satisfy applicable statutory or regulatory obligations.

"Distribution Date" means the date that the shares of our common stock are distributed to DuPont's stockholders pursuant to the Separation and Distribution.

"Domestic Restricted Subsidiary" means any Restricted Subsidiary that is organized or existing under the laws of the United States, any state thereof, or the District of Columbia other than any such Restricted Subsidiary that is a Subsidiary of a Foreign Subsidiary that is a "controlled foreign corporation" within the meaning of Section 957 of the Internal Revenue Code of 1986, as amended.

"EBITDA" means, with respect to any Person for any period, the Consolidated Net Income of such Person for such period:

(1)

increased (without duplication) by the following, in each case (other than clause (g)) to the extent deducted (and not added back) in determining Consolidated Net Income for such period:

(a)

provision for taxes based on income or profits or capital gains, including, without limitation, state, franchise and similar taxes, and foreign withholding taxes and penalties and interest relating to taxes of such Person paid or accrued during such period; plus

(b)

Consolidated Interest Expense of such Person for such period, together with items excluded from the definition of "Consolidated Interest Expense" pursuant to clauses (1)(u) through (z) thereof to the extent the same were deducted (and not added back) in calculating Consolidated Net Income; plus

(c)

Consolidated Depreciation and Amortization Expense of such Person for such period; plus

(d)

the amount of any restructuring charges, integration, business optimization and acquisition, investment or disposal-related costs (whether incurred prior to, or after, the consummation of any such acquisition, investment or disposal), retention charges, stock option and any other equity-based compensation expenses deducted (and not added back) in such period in computing Consolidated Net Income, including any one-time costs incurred in connection with acquisitions, investments or disposals before or after the Issue Date and costs related to the closure and/or consolidation of facilities or headcount reductions or other similar actions (including severance charges in respect of employee terminations); plus

(e)
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 EBITDA to such extent, and excluding amortization of a prepaid cash item that was paid in a prior period); plus

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(f)
income attributable to non-controlling interests in Subsidiaries to the extent deducted (and not added back) in such period in calculating Consolidated Net Income; plus

(g)
the amount of net cost savings and operating expense reductions projected by us in good faith to be realized as a result of actions initiated or to be initiated or taken on or prior to the date that is 12 months after the Distribution Date or 12 months after the consummation of any acquisition, amalgamation, merger or operational change or other action, plan or transaction and prior to or during such period (calculated on a pro forma basis as though such cost savings had been realized on the first day of such period), net of the amount of actual benefits realized during such period from such actions; provided that (x) such cost savings are reasonably identifiable and quantifiable and (y) no cost savings shall be added pursuant to this clause (g) to the extent duplicative of any expenses or charges relating to such cost savings that are either excluded in computing Consolidated Net Income or included (i.e., added back) in computing EBITDA for such period; provided further that the adjustments pursuant to this clause (g) may be incremental to (but not duplicative of) pro forma adjustments made pursuant to the definition of "Fixed Charge Coverage Ratio;" provided further that the aggregate amount of add backs made pursuant to this clause (g) shall not exceed an amount equal to 15% of EBITDA for the period of four consecutive fiscal quarters most recently ended prior to the determination date (without giving effect to any adjustments pursuant to this clause (g)); plus

(h)
any costs or expense incurred by us or a Restricted Subsidiary pursuant to any management equity plan or stock option plan or any other management or employee benefit plan or agreement or any stock subscription or shareholder agreement, to the extent that such cost or expenses are funded with cash proceeds contributed to our capital or net cash proceeds of an issuance of our Equity Interests (other than Disqualified Stock) solely to the extent that such net cash proceeds are excluded from the calculation set forth in clause (3) of the first paragraph under "—Certain Covenants—Limitation on Restricted Payments;" plus

(i)
the amount of any earn-out payments, contingent consideration or deferred purchase price of any kind in conjunction with acquisitions; plus

(j)
losses to the extent reimbursable by third parties in connection with any acquisition permitted hereunder, as determined in good faith by us; and

(2)
decreased by (without duplication) non-cash gains increasing Consolidated Net Income of such Person 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 EBITDA in any prior period.

"Equity Interests" means Capital Stock and all warrants, options or other rights to acquire Capital Stock, but excluding any debt security that is convertible into, or exchangeable for, Capital Stock.

"Equity Offering" means any public or private sale of our common stock or Preferred Stock (excluding Disqualified Stock), other than:

(1)
public offerings with respect to our common stock registered on Form S-8;

(2)
issuances to any of our Subsidiaries or to any management equity plan or stock option plan or any other management or employee benefit plan or agreement of us; and

(3)
any such public or private sale that constitutes an Excluded Contribution.

“European Government Obligations” means direct, non-callable and non-redeemable obligations denominated in euros of any member state of the European Union that is a member of the European Union as of the date of the Indenture and that has a rating of “A” or higher from S&P or “A2” or higher from Moody’s at the time that the relevant obligation was acquired by us or a Restricted Subsidiary.
“Exchange Act” means the Securities Exchange Act of 1934, as amended, and the rules and regulations of the SEC promulgated thereunder.
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"Excluded Contribution" means net cash proceeds, marketable securities or Qualified Proceeds received by us from

(1)

contributions to our common equity capital, or

(2)

the sale (other than to our Subsidiary or to any of our management equity plans or stock option plans or any other management or employee benefit plans or agreements) of our Capital Stock (other than Disqualified Stock and Designated Preferred Stock),

in each case after the Issue Date and in each case designated as an Excluded Contribution pursuant to an Officer's Certificate executed by our principal financial officer on the date such capital contribution is made or the date such Capital Stock is sold, as the case may be, which shall be excluded from the calculation set forth in clause (3) of the first paragraph under "—Certain Covenants—Limitation on Restricted Payments."

"Fair Market Value" means, with respect to any asset or liability, the fair market value of such asset or liability as determined by us in good faith.

"Fixed Charge Coverage Ratio" means, with respect to any Person for any period, the ratio of EBITDA of such Person for such period to the Fixed Charges of such Person for such period. In the event that we or any Restricted Subsidiary incurs, assumes, guarantees, redeems, retires or extinguishes any Indebtedness (other than Indebtedness incurred under any revolving credit facility unless such Indebtedness has been permanently repaid and has not been replaced) or issues or redeems Disqualified Stock or Preferred Stock subsequent to the commencement of the period for which the Fixed Charge Coverage Ratio is being calculated but prior to or simultaneously with the event for which the calculation of the Fixed Charge Coverage Ratio is made, then the Fixed Charge Coverage Ratio shall be calculated giving pro forma effect to such incurrence, assumption, guarantee, redemption, retirement or extinguishment of Indebtedness, or such issuance or redemption of Disqualified Stock or Preferred Stock, as if the same had occurred at the beginning of the applicable four-quarter period.

For purposes of making the computation referred to above, Investments, acquisitions, dispositions, mergers, consolidations and disposed operations (as determined in accordance with GAAP) that have been made by us or any of our Restricted Subsidiaries during the four-quarter reference period or subsequent to such reference period and on or prior to or simultaneously with the Fixed Charge Coverage Ratio Calculation Date shall be calculated on a pro forma basis, assuming that all such Investments, acquisitions, dispositions, mergers, consolidations and disposed operations (and the change in any associated fixed charge obligations and the change in EBITDA resulting therefrom) had occurred on the first day of the four-quarter reference period. If since the beginning of such period any Person that subsequently became a Restricted Subsidiary or was merged with or into us or any of our Restricted Subsidiaries since the beginning of such period shall have made any Investment, acquisition, disposition, merger, consolidation or disposed operation that would have required adjustment pursuant to this definition, then the Fixed Charge Coverage Ratio shall be calculated giving pro forma effect thereto for such period as if such Investment, acquisition, disposition, merger, consolidation or disposed operation had occurred at the beginning of the applicable four-quarter period.

For purposes of this definition, whenever pro forma effect is to be given to an Investment, acquisition, disposition, merger, consolidation, disposed operation or any other transaction, the pro forma calculations shall be made in good faith by one of our responsible financial or accounting officers (and may include, for the avoidance of doubt and without duplication, cost savings and operating expense reduction resulting from such Investment, acquisition, disposition, merger, consolidation, disposed operation or other transaction, in each case calculated in the manner described in the definition of "EBITDA" herein). 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 Fixed Charge Coverage Ratio Calculation Date had been the applicable rate for the entire period (taking into account any Hedging Obligations applicable to such Indebtedness). Interest on a Capitalized Lease Obligation shall be deemed to accrue at an interest rate reasonably determined by one of our responsible financial or accounting officers to be the rate of interest implicit in such Capitalized Lease Obligation in accordance with GAAP. For purposes of making the computation referred to above, interest on any Indebtedness under a revolving credit facility computed

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on a pro forma basis shall be computed based upon the average daily balance of such Indebtedness during the applicable period except as set forth in the first paragraph of this definition. 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 we may designate.

"Fixed Charges" means, with respect to any Person for any period, the sum of:

(1)

Consolidated Interest Expense of such Person for such period;

(2)

all cash dividends or other distributions paid (excluding items eliminated in consolidation) on any series of Preferred Stock during such period; and

(3)

all cash dividends or other distributions paid or accrued (excluding items eliminated in consolidation) on any series of Disqualified Stock during such period.

"Foreign Subsidiary" means, with respect to any Person, any Restricted Subsidiary of such Person that is not organized or existing under the laws of the United States, any state thereof, or the District of Columbia and any Restricted Subsidiary of such Foreign Subsidiary.

"Foreign Subsidiary Holding Company" means, with respect to any Person, (a) any Restricted Subsidiary of such Person that is a "controlled foreign corporation" for purposes of the Internal Revenue Code of 1986 (a "CFC") and (b) any Restricted Subsidiary of such Person substantially all of whose assets consist of Equity Interests and/or Indebtedness of one or more CFCs and intellectual property relating to such CFCs and any other assets incidental thereto.

"Form 10" means the Information Statement on Form 10 filed by us with the SEC on December 18, 2014 (including all exhibits thereto), as amended or supplemented from time to time through to the date hereof, pursuant to which we will conduct the business described in this prospectus and in such Form 10.

"GAAP" means (1) generally accepted accounting principles in the United States of America which are in effect on the Issue Date or (2) if elected by us by written notice to the Trustee in connection with the delivery of financial statements and information, the accounting standards and interpretations ("IFRS") adopted by the International Accounting Standard Board, as in effect on the first date of the period for which we are making such election; provided, that (a) any such election once made shall be irrevocable, (b) all financial statements and reports required to be provided after such election pursuant to the Indenture shall be prepared on the basis of IFRS, (c) from and after such election, all ratios, computations and other determinations based on GAAP contained in the Indenture shall be computed in conformity with IFRS, (d) in connection with the delivery of financial statements (x) for any of its first three financial quarters of any financial year, it shall restate its consolidated interim financial statements for such interim financial period and the comparable period in the prior year to the extent previously prepared in accordance with GAAP as in effect on the Issue Date and (y) for delivery of audited annual financial information, it shall provide consolidated historical financial statements prepared in accordance with IFRS for the prior most recent fiscal year to the extent previously prepared in accordance with GAAP as in effect on the Issue Date.

"Government Securities" means securities that are:

(1)

direct obligations of the United States of America for the timely payment of which its full faith and credit is pledged;

(2)

obligations of a Person controlled or supervised by and acting as an agency or instrumentality of the United States of America the timely payment of which is unconditionally guaranteed as a full faith and credit obligation by the United States of America, which are not callable or redeemable at the option of the issuers thereof, and shall also include a depository receipt issued by a bank (as defined in Section 3(a)(2) of the Securities Act), as custodian with respect to any such Government Securities or a specific payment of principal of or interest on any such Government Securities

held by such custodian for the account of the holder of such depository receipt; provided that (except as required by law) such custodian is not authorized to make any deduction from the amount payable to the holder of such depository receipt from any amount received by the custodian in respect of the Government Securities or the specific payment of principal of or interest on the Government Securities evidenced by such depository receipt; or

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(3)
AAA rated money market mutual funds, where 100% of the holdings are in securities described in clauses (1) or (2) of this definition of Government Securities or repurchase agreements that are fully collateralized by securities described in clauses (1) or (2) of this definition of Government Securities.

"Governmental Authority" means the government of the United States or any other nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supra-national bodies such as the European Union or the European Central Bank).

"guarantee" means a guarantee (other than by endorsement of negotiable instruments for collection in the ordinary course of business), direct or indirect, in any manner (including letters of credit and reimbursement agreements in respect thereof), of all or any part of any Indebtedness or other obligations.

"Guarantee" means the guarantee by any Guarantor of our Obligations under the Indenture and the Notes.

"Guarantor" means each Subsidiary Guarantor and any other Person that becomes a Guarantor in accordance with the terms of the Indenture.

"Hedging Obligations" means, with respect to any Person, the obligations of such Person under any interest rate swap agreement, interest rate cap agreement, interest rate collar agreement, commodity swap agreement, commodity cap agreement, commodity collar agreement, foreign exchange contract, currency swap agreement, currency collar agreement or similar agreement providing for the transfer, modification or mitigation of interest rate, commodity or currency risks either generally or under specific contingencies.

"Holder" means the Person in whose name a Note is registered on the applicable registrar's books.

"Indebtedness" means, with respect to any Person, without duplication:

(1)
any indebtedness of such Person, whether or not contingent:

(a)
in respect of borrowed money;

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

(c)
representing the balance deferred and unpaid of the purchase price of any property (including Capitalized Lease Obligations), except (i) any such balance that constitutes a trade payable or similar obligation to a trade creditor, in each case accrued in the ordinary course of business and (ii) any earn-out obligations until such obligation becomes a liability on the balance sheet of such Person in accordance with GAAP; or

(d)
representing net payment obligations under any Hedging Obligations;

if and to the extent that any of the foregoing Indebtedness (other than letters of credit and Hedging Obligations) would appear as a liability upon a balance sheet (excluding the footnotes thereto) of such Person prepared in accordance with GAAP;

(1)
to the extent not otherwise included, any obligation by such Person to be liable for, or to pay, as obligor, guarantor or otherwise on, the obligations of the type referred to in clause (1) of a third Person (whether or not such items would appear upon the balance sheet of such obligor or guarantor), other than by endorsement of negotiable instruments for collection in the ordinary course of business; and

(2)
to the extent not otherwise included, the obligations of the type referred to in clause (1) of a third Person secured by a Lien on any asset owned by such first Person, whether or not such Indebtedness is assumed by such first Person, the amount of such obligation being deemed to be the lesser of the value of such asset or the amount of the obligation so secured;

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provided, however, that notwithstanding the foregoing, Indebtedness shall be deemed not to include (a) Contingent Obligations incurred in the ordinary course of business or (b) any obligations under or in respect of operating leases or Sale and Lease-back Transactions (except any resulting Capitalized Lease Obligations).

“Independent Financial Advisor” means an accounting, appraisal or investment banking firm of nationally recognized standing that is, in our good faith judgment, qualified to perform the task for which it has been engaged.

“Investment Grade Rating” means a rating equal to or higher than Baa3 (or the equivalent) by Moody’s and BBB- (or the equivalent) by S&P, or an equivalent rating by any other Rating Agency.

“Investment Grade Securities” means:

(1)

securities issued or directly and fully guaranteed or insured by the United States government or any agency or instrumentality thereof (other than Cash Equivalents);

(2)

debt securities or debt instruments with an Investment Grade Rating, but excluding any debt securities or instruments constituting loans or advances among us and our Subsidiaries;

(3)

investments in any fund that invests exclusively in investments of the type described in clauses (1) and (2) (which fund may also hold immaterial amounts of cash pending investment or distribution thereof); and

(4)

corresponding instruments in countries other than the United States customarily utilized for high quality investments.

“Investments” means, with respect to any Person, all investments by such Person in other Persons (including Affiliates) in the form of loans (including guarantees), advances or capital contributions (excluding accounts receivable, trade credit, advances to customers, commission, travel and similar advances to directors, officers, employees and consultants in each case made in the ordinary course of business), purchases or other acquisitions for consideration of Indebtedness, Equity Interests or other securities issued by any other Person and investments that are required by GAAP to be classified on our balance sheet (excluding the footnotes) in the same manner as the other investments included in this definition to the extent such transactions involve the transfer of cash or other property. For purposes of the definition of “Unrestricted Subsidiary” and the covenant described under “—Certain Covenants—Limitation on Restricted Payments”:

(1)

“Investments” shall include the portion (proportionate to our equity interest in such Subsidiary) of the fair market value of the net assets of our Subsidiary at the time that such Subsidiary is designated an Unrestricted Subsidiary; provided, however, that upon a redesignation of such Subsidiary as a Restricted Subsidiary, we shall be deemed to continue to have a permanent “Investment” in an Unrestricted Subsidiary in an amount (if positive) equal to:

(a)

our “Investment” in such Subsidiary at the time of such redesignation; less

(b)

the portion (proportionate to our equity interest in such Subsidiary) of the fair market value of the net assets of such Subsidiary at the time of such redesignation; and

(2)

any property transferred to or from an Unrestricted Subsidiary shall be valued at its fair market value at the time of such transfer.

The amount of any Investment outstanding at any time shall be the original cost of such Investment, reduced by any dividend, distribution, interest payment, return of capital, repayment or other amount received in cash or Cash Equivalents by us or a Restricted Subsidiary in respect of such Investment.

“Issue Date” means May 12, 2015.

“JV Reinvestment” means any Investment by us or any Restricted Subsidiary in a joint venture to the extent funded with the proceeds of a cash dividend or other cash distribution made by such joint venture.

“Legal Holiday” means a Saturday, a Sunday or a day on which commercial banking institutions are required to be closed in the State of New York or a place of payment with respect to the Notes.

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"Lien" means, with respect to any asset, any mortgage, lien (statutory or otherwise), pledge, hypothecation, charge, security interest or encumbrance of any kind in respect of such asset, whether or not filed, recorded or otherwise perfected under applicable law, including any conditional sale or other title retention agreement, any lease in the nature thereof, any option or other agreement to sell or give a security interest in and any filing of or agreement to give any financing statement under the Uniform Commercial Code (or equivalent statutes) of any jurisdiction; provided that in no event shall an operating lease be deemed to constitute a Lien.

"Moody's" means Moody's Investors Service, Inc. and any successor to its rating agency business. "Net Income" means, with respect to any Person, the net income (loss) of such Person, determined in accordance with GAAP and before any reduction in respect of Preferred Stock dividends.

"Net Proceeds" means the aggregate cash proceeds and Cash Equivalents received by us or any of our Restricted Subsidiaries in respect of any Asset Sale, including any cash and Cash Equivalents received upon the sale or other disposition of any Designated Non-cash Consideration received in any Asset Sale, net of the direct costs relating to such Asset Sale and the sale or disposition of such Designated Non-cash Consideration, including legal, accounting and investment banking fees, and brokerage and sales commissions, any relocation expenses incurred as a result thereof, taxes paid or payable as a result thereof (after taking into account any available tax credits or deductions and any tax sharing arrangements), amounts required to be applied to the repayment of Indebtedness secured by a Lien on such assets (other than required by clause (1) of the second paragraph of "—Repurchase at the Option of Holders—Asset Sales") and any deduction of appropriate amounts to be provided by us or any of our Restricted Subsidiaries as a reserve in accordance with GAAP against any liabilities associated with the asset disposed of in such transaction and retained by us or any of our Restricted Subsidiaries after such sale or other disposition thereof, including pension and other post-employment benefit liabilities and liabilities related to environmental matters or against any indemnification obligations associated with such transaction.

"Obligations" means any principal, interest (including any interest accruing subsequent to the filing of a petition in bankruptcy, reorganization or similar proceeding at the rate provided for in the documentation with respect thereto, whether or not such interest is an allowed claim under applicable state, federal or foreign law), premium, penalties, fees, indemnifications, reimbursements (including reimbursement obligations with respect to letters of credit and banker's acceptances), damages and other liabilities, and guarantees of payment of such principal, interest, penalties, fees, indemnifications, reimbursements, damages and other liabilities, payable under the documentation governing any Indebtedness.

"Officer" means the Chairman of the Board of Directors, the Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, the President, any Executive Vice President, Senior Vice President or Vice President, the Treasurer or the Secretary of us or a Guarantor.

"Officer's Certificate" means a certificate signed on behalf of us by our Officer or on behalf of a Guarantor by an Officer of such Guarantor (or if such Guarantor is a general partnership, one of the partners of the Guarantor).

"Opinion of Counsel" means a written opinion from legal counsel who is acceptable to the Trustee. The counsel may be an employee of or counsel to us or our Subsidiary.

"Permitted Asset Swap" means 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 us or any of our Restricted Subsidiaries and another Person; provided, that any cash or Cash Equivalents received must be applied in accordance with the "—Repurchase at the Option of Holders—Asset Sales" covenant.

"Permitted Investment" means:

(1)

any Investment in us or any of our Restricted Subsidiaries or any Person that will become a Restricted Subsidiary as a result of such Investment;

(2)

any Investment in cash or Cash Equivalents or Investment Grade Securities;

(3)

any Investment acquired after the Issue Date as a result of the acquisition by us or any of our Restricted Subsidiaries of another Person, including by way of a merger, amalgamation or

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consolidation with or into us or any of our Restricted Subsidiaries in a transaction that is not prohibited by the provisions described under "—Certain Covenants—Merger, Consolidation or Sale of All or Substantially All Assets," to the extent that such Investments were not made in anticipation or contemplation of such acquisition, merger, amalgamation or consolidation and were in existence on the date of such acquisition, merger, amalgamation or consolidation;

(4)

any Investment in securities or other assets, including earn-outs, not constituting Cash Equivalents or Investment Grade Securities and received in connection with an Asset Sale made pursuant to the first paragraph under "—Repurchase at the Option of Holders—Asset Sales" or any other disposition of assets not constituting an Asset Sale;

(5)

any Investment existing on the Issue Date or made pursuant to binding commitments in effect on the Issue Date or an Investment consisting of any extension, modification or renewal of any such Investment or binding commitment existing on the Issue Date; provided, that the amount of any such Investment may be increased pursuant to such extension, modification or renewal only (a) as required by the terms of such Investment or binding commitment as in existence on the Issue Date (including as a result of the accrual or accretion of interest or original issue discount or the issuance of pay-in-kind securities) or (b) as otherwise permitted under the Indenture;

(6)

any Investment acquired by us or any of our Restricted Subsidiaries:

(a)

consisting of extensions of credit in the nature of accounts receivable or notes receivable arising from the grant of trade credit in the ordinary course of business;

(b)

in exchange for any other Investment or accounts receivable, endorsements for collection or deposit held by us or any such Restricted Subsidiary in connection with or as a result of a bankruptcy, workout, reorganization or recapitalization of the issuer of such other Investment or accounts receivable (including any trade counterparty or customer); or

(c)

in satisfaction of judgments against other Persons; or

(d)

as a result of a foreclosure by us or any of our Restricted Subsidiaries with respect to any secured Investment or other transfer of title with respect to any secured Investment in default;

(7)

Hedging Obligations permitted under clause (10) of the second paragraph under the covenant described in "—Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock;"

(8)

Investments the payment for which consists of our Equity Interests (other than Disqualified Stock); provided, however, that such Equity Interests will not increase the amount available for Restricted Payments under clause (3) of the first paragraph under the covenant described in "—Certain Covenants—Limitations on Restricted Payments;"

(9)

guarantees of Indebtedness of us and any Restricted Subsidiary permitted under the covenant described in "—Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock;"

(10)
any transaction to the extent it constitutes an Investment that is permitted and made in accordance with the provisions of the second paragraph of the covenant described under "—Certain Covenants—Transactions with Affiliates" (except transactions described in clause (2), (4) or (6) of such paragraph);

(11)
Investments consisting of purchases and acquisitions of inventory, supplies, material or equipment;

(12)
additional Investments having an aggregate fair market value, taken together with all other Investments made pursuant to this clause (12) that are at that time outstanding, not to exceed the greater of $400.0 million and 6.50% of Total Assets (with the fair market value of each Investment being measured at the time made and without giving effect to subsequent changes in value);

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(13)
guarantees of Indebtedness of joint ventures of us or any Restricted Subsidiary permitted by clause (26) of the covenant described under "—Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock;"

(14)
Investments (including debt obligations and Equity Interests) received in connection with the bankruptcy or reorganization of suppliers and customers or in settlement of delinquent obligations of, or other disputes with, customers and suppliers arising in the ordinary course of business or upon the foreclosure with respect to any secured Investment or other transfer of title with respect to any secured Investment;

(15)
Investments in Unrestricted Subsidiaries or joint ventures of us or any of our Restricted Subsidiaries having an aggregate fair market value, taken together with all other Investments made pursuant to this clause (15) that are at that time outstanding, not to exceed the greater of $350.0 million and 5.50% of Total Assets (with the fair market value of each Investment being measured at the time made and without giving effect to subsequent changes in value);

(16)
JV Reinvestments;

(17)
any Investment in a Similar Business having an aggregate fair market value, taken together with all other Investments made pursuant to this clause (17) that are at that time outstanding, not to exceed the greater of $250.0 million and 4.00% of Total Assets (with the fair market value of each Investment being measured at the time made and without giving effect to subsequent changes in value);

(18)
loans and advances to, or guarantees of Indebtedness of, officers, directors and employees not in excess of $15.0 million outstanding at any one time, in the aggregate;

(19)
advances, loans or extensions of trade credit in the ordinary course of business by us or any of our Restricted Subsidiaries;

(20)
any Investment in any Subsidiary or any joint venture in connection with intercompany cash management arrangements or related activities arising in the ordinary course of business;

(21)
Investments consisting of purchases and acquisitions of assets or services in the ordinary course of business;

(22)
Investments made in the ordinary course of business in connection with obtaining, maintaining or renewing client contacts;

(23)
Investments in prepaid expenses, negotiable instruments held for collection and lease, utility and workers compensation, performance and similar deposits entered into as a result of the operations of the business in the ordinary course of business;

(24)
repurchases of Notes;

(25)
Investments in the ordinary course of business consisting of Uniform Commercial Code Article 3 endorsements for collection of deposit and Article 4 customary trade arrangements with customers;

(26)
Investments in the ordinary course of business in connection with joint marketing arrangements with another Person (including the licensing or contribution of intellectual property in connection therewith);

(27)
Investments by us or any Restricted Subsidiary in a Securitization Special Purpose Entity or any Investment by a Securitization Special Purpose Entity in any other Person, in each case, in connection with a Qualified Securitization Transaction, including Investments of funds held in accounts permitted or required by the arrangements governing such Qualified Securitization Transaction or any related Indebtedness; and

(28)
Investments made as part of the Transactions in a manner consistent in all material respects with the disclosures set forth in the Form 10 and this prospectus.

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

(1)

pledges or deposits by such Person under workmen's compensation laws, unemployment insurance laws or similar legislation, or good faith deposits in connection with bids, tenders, contracts (other than for the payment of Indebtedness) or leases to which such Person is a party, or deposits to secure public or statutory obligations of such Person or deposits of cash or U.S. government bonds to secure surety or appeal bonds to which such Person is a party, or deposits as security for contested taxes or import duties or for the payment of rent, in each case incurred in the ordinary course of business;

(2)

Liens imposed by law, such as carriers', warehousemen's and mechanics' Liens, in each case for sums not yet overdue for a period of more than 30 days 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 maintained on the books of such Person in accordance with GAAP;

(3)

Liens for taxes, assessments or other governmental charges not yet overdue for a period of more than 30 days or not yet payable or subject to penalties for nonpayment or which are being contested in good faith by appropriate proceedings diligently conducted, if adequate reserves with respect thereto are maintained on the books of such Person to the extent required by GAAP;

(4)

Liens to secure the performance of statutory obligations or in favor of issuers of performance, surety, bid or appeal bonds or with respect to other regulatory requirements or letters of credit issued pursuant to the request of and for the account of such Person in the ordinary course of its business;

(5)

survey exceptions, title defects, encumbrances, easements or reservations of, or rights of others for, licenses, rights-of-way, sewers, electric lines, telegraph and telephone lines and other similar purposes, or zoning or other restrictions as to the use of real properties or Liens incidental to the conduct of the business of such Person or to the ownership of its properties that, in all cases, were not incurred in connection with Indebtedness and that do not in the aggregate materially adversely affect the value of said properties or materially impair their use in the operation of the business of such Person;

(6)

Liens securing Indebtedness permitted to be incurred pursuant to clause (4), (10), (18) or (23) of the second paragraph under "—Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock;"

(7)

Liens existing on the Issue Date;

(8)

Liens on property or shares of stock of a Person at the time such Person becomes a Subsidiary; provided, however, such Liens are not created or incurred in connection with, or in anticipation or contemplation of, such other Person becoming such a Subsidiary; provided further, however, that such Liens may not extend to any other property owned by us or any of our Restricted Subsidiaries;

(9)

Liens on property at the time we or a Restricted Subsidiary acquired the property, including any acquisition by means of a merger or consolidation with or into us or any of our Restricted Subsidiaries; provided, however, that such Liens are not created or incurred in connection with, or in anticipation or contemplation of, such acquisition; provided further, however, that the Liens may not extend to any other property owned by us or any of our Restricted Subsidiaries;

(10)
Liens securing Indebtedness or other obligations of a Restricted Subsidiary owing to us or another Restricted Subsidiary permitted to be incurred in accordance with the covenant described under "—Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock;"

(11)
Liens on specific items of inventory of 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;

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(12)
leases, subleases, licenses or sublicenses granted to others in the ordinary course of business that do not materially interfere with the ordinary conduct of the business of us or any of our Restricted Subsidiaries and that do not secure any Indebtedness;

(13)
Liens arising from Uniform Commercial Code financing statement filings (or similar filings under applicable law) regarding operating leases, consignment of goods or similar arrangements entered into by us and our Restricted Subsidiaries in the ordinary course of business and Liens of a collecting bank arising in the ordinary course of business under Section 4-208 (or the applicable corresponding section) of the Uniform Commercial Code in effect in the relevant jurisdiction covering only the items being collected upon;

(14)
Liens in favor of us or any Subsidiary Guarantor;

(15)
Liens on equipment of us or any of our Restricted Subsidiaries granted in the ordinary course of business to our clients;

(16)
Liens to secure any refinancing, refunding, extension, renewal or replacement (or successive refinancing, refunding, extension, renewal or replacement) as a whole, or in part, of any Indebtedness secured by any Lien referred to in the foregoing clause (6), (7), (8) or (9) to the extent that the Indebtedness secured by such new Lien is an amount equal to the sum of (i) the outstanding principal amount or, if greater, committed amount of the Indebtedness described under clause (6), (7), (8) or (9) at the time the original Lien became a Permitted Lien under the Indenture, and (ii) an amount necessary to pay any fees and expenses, including premiums, related to such refinancing, refunding, extension, renewal or replacement; provided, however, that in each case such new Lien shall be limited to all or part of the same property that secured the original Lien (plus improvements on such property);

(17)
deposits made in the ordinary course of business to secure liability to insurance carriers;

(18)
other Liens securing obligations not to exceed the greater of $400.0 million and 6.25% of Total Assets at any one time outstanding (as adjusted to give pro forma effect to any assets purchased with the proceeds of the Indebtedness that is subject to such Lien, provided that such assets are acquired substantially concurrently with the incurrence of such Indebtedness);

(19)
Liens securing Indebtedness of any non-Guarantor Restricted Subsidiary permitted to be incurred under the Indenture, to the extent such Liens relate only to the assets and properties of a non-Guarantor Restricted Subsidiary (and for the avoidance of doubt, any Liens permitted by this clause (19) at the time of incurrence thereof shall continue to be permitted by this clause (19) if such non-Guarantor Restricted Subsidiary later provides a Guarantee of the Notes);

(20)
Liens securing judgments for the payment of money not constituting an Event of Default under clause (5) under the heading "—Events of Default and Remedies" so long as such Liens are adequately bonded and any appropriate legal proceedings that may have been duly initiated for the review of such judgment have not been finally terminated or the period within which such proceedings may be initiated has not expired;

(21)
Liens 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;

(22)
Liens (i) of a collection bank arising under Section 4-210 of the Uniform Commercial Code or any comparable or successor provision on items in the course of collection, (ii) attaching to commodity trading accounts or other commodity brokerage accounts incurred in the ordinary course of business, and (iii) in favor of banking institutions arising as a matter of law encumbering deposits (including the right of setoff) and which are within the general parameters customary in the banking industry;

(23)
Liens deemed to exist in connection with Investments in repurchase agreements permitted under "—Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock;" provided that such Liens do not extend to any assets other than those that are the subject of such repurchase agreement;

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(24)
Liens securing Indebtedness incurred in accordance with clause (25) of the second paragraph under "—Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock;"

(25)
Liens that are contractual rights of setoff (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 or other cash management arrangements of us or any of our Restricted Subsidiaries to permit satisfaction of overdraft or similar obligations incurred in the ordinary course of business of us and our Restricted Subsidiaries or (iii) relating to purchase orders and other agreements entered into with customers of us or any of our Restricted Subsidiaries in the ordinary course of business;

(26)
Liens securing Indebtedness and other obligations to the extent permitted to be incurred under Credit Facilities, including any letter of credit facility relating thereto, incurred pursuant to clause (1) of the second paragraph under "—Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock;"

(27)
any encumbrance or restriction (including put and call arrangements) with respect to capital stock of any joint venture or similar arrangement pursuant to any joint venture or similar agreement;

(28)
Liens arising out of conditional sale, title retention, consignment or similar arrangements for the sale or purchase of goods entered into by us or any of our Restricted Subsidiaries in the ordinary course of business;

(29)
Liens solely on any cash earnest money deposits made by us or any of our Restricted Subsidiaries in connection with any letter of intent or purchase agreement permitted hereunder;

(30)
Liens securing the Notes (other than any Additional Note) or the Guarantees thereof;

(31)
ground leases in respect of real property on which facilities owned or leased by us or any of our Subsidiaries are located;

(32)
Liens on insurance policies and the proceeds thereof securing the financing of the premiums with respect thereto;

(33)
Liens on Capital Stock of an Unrestricted Subsidiary that secure Indebtedness or other obligations of such Unrestricted Subsidiary;

(34)
Liens on cash advances in favor of the seller of any property to be acquired in an Investment permitted under the Indenture to be applied against the purchase price for such Investment;

(35)
any interest or title of a lessor, sub-lessor, licensor or sub-licensor or secured by a lessor's, sub- lessor's, licensor's or sub-licensor's interest under leases or licenses entered into by us or any of the Restricted Subsidiaries in the ordinary

course of business;

(36)
deposits of cash with the owner or lessor of premises leased and operated by us or any of our Subsidiaries in the ordinary course of business of us and such Subsidiary to secure the performance of our or such Subsidiary's obligations under the terms of the lease for such premises;

(37)
prior to the date on which a Permitted Investment is consummated, Liens arising from any escrow arrangement pursuant to which the proceeds of any equity issuance or other funds used to finance all or a portion of such Permitted Investment are required to be held in escrow pending release to consummate such Permitted Investment;

(38)
Liens in connection with contracts for the sale of assets, including customary provisions with respect to our Restricted Subsidiary pursuant to an agreement that has been entered into for the sale or disposition of any Capital Stock or assets of such Subsidiary;

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(39)
Liens on trusts, cash or Cash Equivalents or other funds in connection with the defeasance (whether by covenant or legal defeasance), discharge or redemption of Indebtedness pending consummation of a strategic transaction, or similar obligations; provided that such defeasance, discharge or redemption is otherwise permitted by the Indenture; and

(40)
any Liens arising from the Transactions in a manner consistent in all material respects with the disclosures set forth in the Form 10 and this prospectus.

In the event that a Permitted Lien meets the criteria of more than one of the types of Permitted Liens (at the time of incurrence or at a later date), we in our sole discretion may divide, classify or from time to time reclassify all or any portion of such Permitted Lien in any manner that complies with this definition and such Permitted Lien shall be treated as having been made pursuant only to the clause or clauses of the definition of Permitted Lien to which such Permitted Lien has been classified or reclassified.

“Person” means any individual, corporation, limited liability company, partnership, joint venture, association, joint stock company, trust, unincorporated organization, government or any agency or political subdivision thereof or any other entity.

“Preferred Stock” means any Equity Interest with preferential rights of payment of dividends or upon liquidation, dissolution, or winding up.

“Qualified Proceeds” means assets that are used or useful in, or Capital Stock of any Person engaged in, a Similar Business.

“Qualified Securitization Transaction” means any transaction or series of transactions entered into by us or any Restricted Subsidiary pursuant to which we or such Restricted Subsidiary sells, conveys, grants a security interest in or otherwise transfers to a Securitization Special Purpose Entity, and such Securitization Special Purpose Entity sells, conveys, grants a security interest in or otherwise transfers to one or more other Persons, any Securitization Assets (whether now existing or arising in the future).

“Rating Agencies” means Moody’s and S&P or if Moody’s or S&P or both shall not make a rating on the Notes publicly available, a nationally recognized statistical rating agency or agencies, as the case may be, selected by us which shall be substituted for Moody’s or S&P or both, as the case may be.

“Receivables Facility” means any receivables financing facilities or factoring (or reverse factoring) agreements or facilities, as amended, supplemented, modified, extended, renewed, restated or refunded from time to time, the obligations in respect of which are non-recourse (except for customary representations, warranties, covenants and indemnities made in connection with such facilities) to us or any of our Restricted Subsidiaries pursuant to which we or any of our Restricted Subsidiaries sells our accounts receivable to a Person that is not a Restricted Subsidiary.

“Redemption Date” means the 2023 Dollar Notes Redemption Date, 2025 Dollar Notes Redemption Date or the Euro Notes Redemption Date, as applicable.

“Registration Rights Agreement” means the Registration Rights Agreement dated the Issue Date, among us, Credit Suisse Securities (USA) LLC, J.P. Morgan Securities LLC and J.P. Morgan Securities plc, as representatives of the initial purchasers.

“Related Business Assets” means assets (other than cash or Cash Equivalents) used or useful in a Similar Business, provided that any assets received by us or a Restricted Subsidiary in exchange for assets transferred by us or a Restricted Subsidiary shall 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.

“Restricted Investment” means an Investment other than a Permitted Investment.

“Restricted Subsidiary” means, at any time, any of our direct or indirect Subsidiaries (including any Foreign Subsidiary and Foreign Subsidiary Holding Company) that is not then an Unrestricted Subsidiary. Upon an Unrestricted Subsidiary ceasing to be an Unrestricted Subsidiary, such Subsidiary shall be a Restricted Subsidiary.

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"S&P" means Standard & Poor's, a division of The McGraw-Hill Companies, Inc., and any successor to its rating agency business.

"Sale and Lease-Back Transaction" means any arrangement providing for the leasing by us or any of our Restricted Subsidiaries of any real or tangible personal property, which property has been or is to be sold or transferred by us or such Restricted Subsidiary to a third Person in contemplation of such leasing.

"SEC" means the U.S. Securities and Exchange Commission.

"Secured Indebtedness" means any Indebtedness of us or any of our Restricted Subsidiaries secured by a Lien.

"Securities Act" means the Securities Act of 1933, as amended, and the rules and regulations of the SEC promulgated thereunder.

"Securitization Fees" means 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 Qualified Securitization Transaction.

"Securitization Assets" means (i) all receivables, inventory or royalty or other revenue streams transferred in connection with asset securitization transactions by us or any Restricted Subsidiary pursuant to documents relating to any Qualified Securitization Transaction, (ii) all rights arising under the documentation governing or related to receivables (including rights in respect of Liens securing such receivables and other credit support in respect of such receivables), any proceeds of such receivables and any lockboxes or accounts in which such proceeds are deposited, spread accounts and other similar accounts (and any amounts on deposit therein) established in connection with a Qualified Securitization Transaction, any warranty, indemnity, dilution and other intercompany claim, arising out of the documents relating to such Qualified Securitization Transaction and other assets that are transferred or in respect of which security interests are granted in connection with asset securitizations involving accounts receivable, and (iii) all collections (including recoveries) and other proceeds of the assets described in the foregoing clauses (i) and (ii).

"Securitization Special Purpose Entity" means a Person (including, without limitation, a Restricted Subsidiary) created in connection with the transactions contemplated by a Qualified Securitization Transaction, which Person engages in no activities and holds no assets other than those incidental to such Qualified Securitization Transaction.

"Senior Indebtedness" means any Indebtedness of us or any Subsidiary Guarantor that ranks pari passu in right of payment with the Notes or the Guarantee of such Subsidiary Guarantor, as the case may be. For the avoidance of doubt, any Indebtedness of us or any Subsidiary Guarantor that is permitted to be incurred under the terms of the Indenture shall constitute Senior Indebtedness for the purposes of the Indenture unless the instrument under which such Indebtedness is incurred expressly provides that it is subordinate in right of payment to the Notes or any related Guarantee.

"Senior Secured Credit Facilities" means the Senior Credit Agreement dated as of May 12, 2015, by and among us, JPMorgan Chase Bank, N.A., as Administrative Agent, and the other agents and lenders party thereto, including any guarantees, collateral documents, instruments and agreements executed in connection therewith, and any amendments, supplements, modifications, extensions, renewals, restatements or refundings thereof.

"Separation and Distribution" means (1) the series of internal transactions among DuPont and its Subsidiaries (including us and our Subsidiaries) pursuant to which the business of us and our Subsidiaries is separated from DuPont and its other Subsidiaries, as described in the Form 10 and this prospectus, and (2) DuPont's distribution of the shares of our common stock to DuPont's stockholders.

"Separation and Distribution Documents" means each of the following agreements between DuPont and us in connection with the Separation and Distribution to be dated as of or prior to the Distribution Date: the Separation Agreement, the Transition Services Agreement, the Tax Matters Agreement, the Employee Matters Agreement, the Intellectual Property Cross-License Agreement (each as referred to in the Form 10 and this prospectus) and any other instruments, assignments, documents and agreements executed in connection with the implementation of the Transactions.

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"Significant Subsidiary" means any Restricted Subsidiary that would be a "significant subsidiary" as defined in Article 1, Rule 1-02 of Regulation S-X, promulgated pursuant to the Securities Act, as such regulation is in effect on the Issue Date.

"Similar Business" means any business conducted or proposed to be conducted by us and our Subsidiaries on the Issue Date or any business that is similar, reasonably related, incidental or ancillary thereto or a reasonable extension, development or expansion of such business.

"Standard Securitization Undertakings" means all representations, warranties, covenants, indemnities, performance guarantees and servicing obligations entered into by us or any Subsidiary (other than a Securitization Special Purpose Entity) that are customary in connection with any Qualified Securitization Transaction.

"Subordinated Indebtedness" means, with respect to the Notes,

(1)

any of our Indebtedness that is by its terms subordinated in right of payment to the Notes, and

(2)

any Indebtedness of any Subsidiary Guarantor that is by its terms subordinated in right of payment to the Guarantee of such entity of the Notes.

"Subsidiary" means, with respect to any Person:

(1)

any corporation, association, or other business entity (other than a partnership, joint venture, limited liability company or similar entity) of which more than 50% of the total voting power of shares of Capital Stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof is at the time of determination owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of that Person or a combination thereof; and

(2)

any partnership, joint venture, limited liability company or similar entity of which

(a)

more than 50% of the capital accounts, distribution rights, total equity and voting interests or general or limited partnership interests, as applicable, are owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of that Person or a combination thereof whether in the form of membership, general, special or limited partnership or otherwise, and

(b)

such Person or any Restricted Subsidiary of such Person is a general partner or otherwise controls such entity.

"Subsidiary Guarantor" means any of our Subsidiaries that Guarantees the Notes in accordance with the terms of the Indenture.

"Total Assets" means the total assets of us and the Restricted Subsidiaries on a consolidated basis, as shown on the most recent consolidated balance sheet of us or such other Person as may be expressly stated, as the case may be (giving pro forma effect to any acquisitions or dispositions of assets or properties that have been made by us or any of our Restricted Subsidiaries subsequent to the date of such balance sheet, including through mergers or consolidations).

"Transactions" means (1) (A) the Separation and Distribution, (B) any other transactions contemplated by, or pursuant to, the Separation and Distribution Documents or otherwise in connection with the Separation and Distribution (including, but not limited to, any cancellation or termination of Indebtedness, agreements, arrangements, dividends, true-ups, adjustments, commitments or understandings, including intercompany accounts payables, receivables or Indebtedness, between us or any of our Restricted Subsidiaries, on the one hand, and DuPont or any of its other Subsidiaries, on the other hand, and making certain intercompany contributions and dividend payments, including, without limitation, the dividend to be paid to DuPont that is financed from the net proceeds of the senior secured term

loan and the Notes as described in the Form 10) and (C) any other transactions pursuant to agreements or arrangements in effect as of the Distribution Date, in each case on substantially the terms described in, or otherwise consistent in all material respects with, this prospectus, or, in the case of clauses (B) and (C), any amendment, modification, addition or supplement to any such agreement or arrangement or replacement thereof, as

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long as the terms of such agreement or arrangement, as so amended, modified, added, supplemented or replaced are not materially more disadvantageous to the Holders of Notes when taken as a whole compared to the applicable agreements or arrangements as described in this prospectus (as determined in good faith by us), (2) the payment of a cash dividend to DuPont in connection with the Separation and Distribution as described in this prospectus, (3) the issuance of the Notes, (4) entering into the Senior Secured Credit Facilities and the borrowing of the term loans thereunder and (5) the payment of fees and expenses in connection with the foregoing.

"Treasury Rate" means, as of any Redemption Date, the yield to maturity as of such Redemption Date of United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15 (519) that has become publicly available at least two Business Days prior to the Redemption Date (or in connection with a discharge, two Business Days prior to the date of deposit with the Trustee or paying agent, as applicable) (or, if such Statistical Release is no longer published, any publicly available source of similar market data)) most nearly equal to the period from the Redemption Date to May 15, 2018; provided, however, that if the period from the Redemption Date to the stated maturity date of the Notes to be redeemed is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year will be used.

"Unrestricted Cash" means, at any time, all cash and Cash Equivalents held by us and our Restricted Subsidiaries at such time; provided that such cash and Cash Equivalents (a) do not appear (and would not be required to appear) as "restricted" on our consolidated balance sheet prepared in conformity with GAAP (unless such classification results solely from any Lien referred to in clause (b) below) and (b) are not controlled by or subject to any Lien or other preferential arrangement in favor of any creditor, other than Liens created under a Credit Facility.

"Unrestricted Subsidiary" means:

(1)
any of our Subsidiaries that at the time of determination is an Unrestricted Subsidiary (as designated by us, as provided below); and

(2)
any Subsidiary of an Unrestricted Subsidiary.

We may designate any Subsidiaries (including any existing Subsidiary and any newly acquired or newly formed Subsidiary) to be an Unrestricted Subsidiary unless such Subsidiary or any of its Subsidiaries owns any Equity Interests or Indebtedness of, or owns or holds any Lien on, any property of, us or any of our Subsidiaries (other than solely any Subsidiary of the Subsidiary to be so designated); provided that

(1)
such designation complies with the covenant described under "—Certain Covenants—Limitation on Restricted Payments;" and

(2)
each of the Subsidiary to be so designated and its Subsidiaries has not at the time of designation, and does not thereafter, create, incur, issue, assume, guarantee or otherwise become directly or indirectly liable with respect to any Indebtedness pursuant to which the lender has recourse to any of the assets of us or any Restricted Subsidiary.

We may designate any Unrestricted Subsidiary to be a Restricted Subsidiary; provided that, immediately after giving effect to such designation, no Default shall have occurred and be continuing and either:

(1)
we could incur at least $1.00 of additional Indebtedness pursuant to the Fixed Charge Coverage Ratio test described in the first paragraph under "—Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock;" or

(2)

our Fixed Charge Coverage Ratio and our Restricted Subsidiaries would be greater than such ratio of us and our Restricted Subsidiaries immediately prior to such designation, in each case on a pro forma basis taking into account such designation.

Any such designation by us shall be notified by us to the Trustee by promptly filing with the Trustee a copy of the resolution of our Board of Directors or any committee thereof giving effect to such designation and an Officer's Certificate certifying that such designation complied with the foregoing provisions.
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Actions taken by an Unrestricted Subsidiary will not be deemed to have been taken, directly or indirectly, by us or any Restricted Subsidiary.

"Voting Stock" of any Person as of any date means the Capital Stock of such Person that is at the time entitled to vote in the election of the Board of Directors of such Person.

"Weighted Average Life to Maturity" means, when applied to any Indebtedness or Disqualified Stock, as the case may be, at any date, the number of years obtained by dividing:

(1)

the sum of the products of the number of years from the date of determination to the date of each successive scheduled principal payment of such Indebtedness or redemption or similar payment with respect to such Disqualified Stock multiplied by the amount of such payment; by

(2)

the sum of all such payments.

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BOOK-ENTRY, DELIVERY AND FORM

Dollar Exchange Notes

Except as set forth below, the dollar exchange notes will initially be issued in registered, global form in minimum denominations of $2,000 and integral multiples of $1,000 in excess thereof.

Dollar exchange notes initially will be represented by one or more notes in registered, global form without interest coupons (collectively, the "dollar global notes"). The dollar global notes will be deposited upon issuance with the Trustee as custodian for The Depository Trust Company ("DTC"), and registered in the name of DTC or its nominee, in each case, for credit to an account of a direct or indirect participant in DTC as described below.

Except as set forth below, the dollar global notes may be transferred, in whole and not in part, only to another nominee of DTC or to a successor of DTC or its nominee. Beneficial interests in the dollar global notes may not be exchanged for definitive notes in registered certificated form ("dollar certificated notes") except in the limited circumstances described below. See "—Exchange of Dollar Global Notes for Dollar Certificated Notes." Except in the limited circumstances described below, owners of beneficial interests in the dollar global notes will not be entitled to receive physical delivery of notes in certificated form. In addition, transfers of beneficial interests in the dollar global notes will be subject to the applicable rules and procedures of DTC and its direct or indirect participants (including, if applicable, those of Euroclear and Clearstream), which may change from time to time.

Depository Procedures

The following description of the operations and procedures of DTC, Euroclear and Clearstream are provided solely as a matter of convenience. These operations and procedures are solely within the control of the respective settlement systems and are subject to changes by them. We, the Trustee and the paying agents take no responsibility for these operations and procedures and urge investors to contact the system or their participants directly to discuss these matters.

DTC has advised us that DTC is a limited-purpose trust company created to hold securities for its participating organizations (collectively, the "participants") and to facilitate the clearance and settlement of transactions in those securities between the participants through electronic book-entry changes in accounts of its participants. The participants include securities brokers and dealers (including the initial purchasers), banks, trust companies, clearing corporations and certain other organizations. Access to DTC's system is also available to other entities such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a participant, either directly or indirectly (collectively, the "indirect participants"). Persons who are not participants may beneficially own securities held by or on behalf of DTC only through the participants or the indirect participants. The ownership interests in, and transfers of ownership interests in, each security held by or on behalf of DTC are recorded on the records of the participants and indirect participants.

DTC has also advised us that, pursuant to procedures established by it:

(1)
upon deposit of the dollar global notes, DTC will credit the accounts of the participants designated by the initial purchasers with portions of the principal amount of the dollar global notes; and

(2)
ownership of these interests in the dollar global notes will be shown on, and the transfer of ownership of these interests will be effected only through, records maintained by DTC (with respect to the participants) or by the participants and the indirect participants (with respect to other owners of beneficial interests in the dollar global notes).

Investors in the dollar global notes that are participants may hold their interests therein directly through DTC. Investors in the dollar global notes that are not participants may hold their interests therein indirectly through organizations (including Euroclear and Clearstream) which are participants.

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Investors may also hold interests in the dollar global notes through participants in the DTC system other than Euroclear and Clearstream. Euroclear and Clearstream will hold interests in the dollar global notes on behalf of their participants through customers' securities accounts in their respective names on the books of their respective depositaries, which are Euroclear Bank S.A./N.V., as operator of Euroclear, and Clearstream Banking, société anonyme, as operator of Clearstream. All interests in a dollar global note, including those held through Euroclear or Clearstream, may be subject to the procedures and requirements of DTC. Those interests held through Euroclear or Clearstream may also be subject to the procedures and requirements of such systems. The laws of some jurisdictions may require that certain persons take physical delivery in definitive form of securities that they own. Consequently, the ability to transfer beneficial interests in a dollar global note to such persons will be limited to that extent. Because DTC can act only on behalf of the participants, which in turn act on behalf of the indirect participants, the ability of a person having beneficial interests in a dollar global note to pledge such interests to persons that do not participate in the DTC system, or otherwise take actions in respect of such interests, may be affected by the lack of a physical certificate evidencing such interests.

Except as described below, beneficial owners of interests in the dollar global notes will not have dollar exchange notes registered in their names, will not receive physical delivery of dollar global notes and will not be considered the registered owners or "holders" thereof under the Indenture for any purpose.

Payments in respect of the principal of, and premium, if any, and interest, on, a dollar global note registered in the name of DTC or its nominee will be payable to DTC in its capacity as the registered holder under the Indenture. Under the terms of the Indenture, we, the Guarantors and the Trustee will treat the persons in whose names the dollar exchange notes, including the dollar global notes, are registered as the owners of the notes for the purpose of receiving payments and for all other purposes. Consequently, neither we, the Guarantors, the Trustee nor any agent of us, the Guarantors or the Trustee has or will have any responsibility or liability for:

(1)
any aspect of DTC's records or any participant's or indirect participant's records relating to or payments made on account of beneficial ownership interests in the dollar global notes or for maintaining, supervising or reviewing any of DTC's records or any participant's or indirect participant's records relating to the beneficial ownership interests in the dollar global notes; or

(2)
any other matter relating to the actions and practices of DTC or any of its participants or indirect participants.

DTC has advised us that its current practice, upon receipt of any payment in respect of securities such as the dollar exchange notes (including principal and interest), is to credit the accounts of the relevant participants with the payment on the payment date unless DTC has reason to believe that it will not receive payment on such payment date. Each relevant participant is credited with an amount proportionate to its beneficial ownership of an interest in the principal amount of the relevant security as shown on the records of DTC. Payments by the participants and the indirect participants to the beneficial owners of dollar exchange notes will be governed by standing instructions and customary practices and will be the responsibility of the participants or the indirect participants and will not be the responsibility of DTC, the Trustee, us or the Guarantors. None of us, the Guarantors nor the Trustee will be liable for any delay by DTC or any of the participants or the indirect participants in identifying the beneficial owners of the dollar exchange notes, and we, the Guarantors and the Trustee may conclusively rely on and will be protected in relying on instructions from DTC or its nominee for all purposes.

Transfers between the participants will be effected in accordance with DTC's procedures, and will be settled in same-day funds, and transfers between participants in Euroclear and Clearstream will be effected in accordance with their respective rules and operating procedures.

Cross-market transfers between the participants, on the one hand, and Euroclear or Clearstream participants, on the other hand, will be effected through DTC in accordance with DTC's rules on behalf of Euroclear or Clearstream, as the case may be, by their respective depositaries; however, such cross-market transactions will require delivery of instructions to Euroclear or Clearstream, as the case may be, by the counterparty in such system in accordance with the rules and procedures and within the established deadlines (Brussels time) of such system. Euroclear or

Clearstream, as the case may be, will, if the
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transaction meets its settlement requirements, deliver instructions to its respective depositary to take action to effect final settlement on its behalf by delivering or receiving interests in the relevant dollar global note in DTC, and making or receiving payment in accordance with normal procedures for same-day funds settlement applicable to DTC. Euroclear participants and Clearstream participants may not deliver instructions directly to the depositories for Euroclear or Clearstream.

DTC has advised us that it will take any action permitted to be taken by a holder of dollar exchange notes only at the direction of one or more participants to whose account DTC has credited the interests in the dollar global notes and only in respect of such portion of the aggregate principal amount of the dollar exchange notes as to which such participant or participants has or have given such direction. However, if there is an Event of Default under the dollar exchange notes, DTC reserves the right to exchange the dollar global notes for dollar certificated notes, and to distribute such dollar certificated notes to its participants.

Although DTC, Euroclear and Clearstream have agreed to the foregoing procedures to facilitate transfers of interests in the dollar global notes among participants in DTC, Euroclear and Clearstream, they are under no obligation to perform or to continue to perform such procedures, and may discontinue such procedures at any time. None of us, the Guarantors nor the Trustee nor any of their respective agents will have any responsibility for the performance by DTC, Euroclear or Clearstream or their respective participants or indirect participants of their respective obligations under the rules and procedures governing their operations.

Exchange of Dollar Global Notes for Dollar Certificated Notes

A dollar global note is exchangeable for dollar certificated notes if:

(1)
DTC (a) notifies us that it is unwilling or unable to continue as depositary for the dollar global notes or (b) has ceased to be a clearing agency registered under the Exchange Act and, in either case, we fail to appoint a successor depositary;

(2)
we, at our option, notifies the Trustee in writing that we elect to cause the issuance of the dollar certificated notes; or

(3)
there has occurred and is continuing an Event of Default with respect to the dollar exchange notes and DTC notifies the Trustee of its decision to exchange the dollar global notes for dollar certificated notes.

In addition, beneficial interests in a dollar global note may be exchanged for dollar certificated notes upon prior written notice given to the Trustee by or on behalf of DTC in accordance with the Indenture. In all cases, dollar certificated notes delivered in exchange for any dollar global note or beneficial interests in dollar global notes will be registered in the names, and issued in any approved denominations, requested by or on behalf of the depositary (in accordance with its customary procedures).

Same Day Settlement and Payment

We will make payments in respect of the dollar exchange notes represented by the dollar global notes (including principal, premium, if any, and interest) by wire transfer of immediately available funds to the accounts specified by DTC or its nominee. We will make all payments of principal, premium, if any, and interest, with respect to dollar certificated notes in the manner described above. The dollar exchange notes represented by the dollar global notes are expected to trade in DTC's Same-Day Funds Settlement System, and any permitted secondary market trading activity in such dollar exchange notes will, therefore, be required by DTC to be settled in immediately available funds. We expect that secondary trading in any dollar certificated notes will also be settled in immediately available funds.

Because of time zone differences, the securities account of a Euroclear or Clearstream participant purchasing an interest in a dollar global note from a participant will be credited, and any such crediting will be reported to the relevant Euroclear or Clearstream participant, during the securities settlement processing day (which must be a business day for Euroclear and Clearstream) immediately following the settlement date of DTC. DTC has advised us that cash received in Euroclear or Clearstream as a result of sales of

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interests in a dollar global note by or through a Euroclear or Clearstream participant to a participant will be received with value on the settlement date of DTC but will be available in the relevant Euroclear or Clearstream cash account only as of the business day for Euroclear or Clearstream following DTC's settlement date.

Euro Exchange Notes

Except as set forth below, the euro exchange notes will initially be issued in registered, global form (the "euro global notes") in minimum denominations of €100,000 and integral multiples of €1,000 in excess thereof. Upon issuance, the euro global notes will be deposited and held by, or on behalf of, a common depositary for the accounts of Euroclear and Clearstream.

Beneficial interests in a euro global note may not be exchanged for euro exchange notes in physical, certificated form ("euro certificated notes") except in the limited circumstances described below.

Book-entry Procedures for the Euro Global Notes

The euro global notes will be deposited upon issuance with, and registered in the name of, the common depositary or its nominee. The euro exchange notes will not be eligible for clearance with DTC.

Book-entry interests will be limited to persons that have accounts with Euroclear and/or Clearstream or persons that may hold interests through such participants. Book-entry interests will be shown on, and transfers thereof will be effected only through, records maintained in book-entry form by Euroclear and/or Clearstream and their participants. The book-entry interests will not be held in definitive form. Instead, Euroclear and/or Clearstream will credit on their respective book-entry registration and transfer systems a participant's account with the book-entry interest beneficially owned by such participant. The laws of some jurisdictions, including certain states of the United States, may require that certain purchasers of securities take physical delivery of such securities in definitive form. The foregoing limitations may impair the ability to own, transfer or pledge book-entry interests.

Except as described below, owners of an interest in the euro global notes will not have euro exchange notes registered in their names, will not receive physical delivery of euro exchange notes in certificated form and will not be considered the registered owners or "holders" thereof under the Indenture for any purpose.

Euro Certificated Notes

Euro exchange notes in physical, certificated form will be issued and delivered to each person that either Euroclear or Clearstream, or their common depositary, identifies as a beneficial owner of the related euro exchange notes only if:

- Euroclear or Clearstream notifies us that it is unwilling or unable to continue as depositary for the euro global notes and a successor depositary is not appointed;

- we, at our option, notify the Trustee and applicable paying agent in writing that we elect to cause the issuance of euro certificated notes; or

- there has occurred and is continuing a Default with respect to the euro exchange notes and Euroclear or Clearstream notifies the Trustee and the applicable paying agent in writing that it elects to cause the issuance of euro certificated notes.

Redemption of Euro Global Notes

In the event any of the euro global notes, or any portion thereof, is redeemed, Euroclear and/or Clearstream, as applicable, will distribute the amount received by them in respect of the euro global note so redeemed to the holders of the book-entry interests in such euro global note from the amount received by it in respect of the redemption of such euro global note. The redemption price payable in connection with the redemption of such book-entry interests will be equal to the amount received by Euroclear or Clearstream, as applicable, in connection with the redemption of such euro global note (or any portion thereof). We understand that under existing practices of Euroclear and Clearstream, if fewer than all of the euro

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exchange notes are to be redeemed at any time, Euroclear and Clearstream will credit their respective participants' accounts on a proportionate basis (with adjustments to prevent fractions) or on such other basis as they deem fair and appropriate; provided, however, that no book-entry interest of less than €100,000 in principal amount may be redeemed in part.

Payments on Euro Global Notes; Paying Agent, Registrar and Transfer Agent for the Euro Exchange Notes

Payments of any amounts owing in respect of the euro global notes will be made by us in euros to the applicable paying agent, except in the circumstances described under "Description of the Notes—Issuance of Euro Notes in Euros," in which case payment may be made in U.S. dollars. The paying agent will, in turn, make such payments to the depositary, which will distribute such payments to participants in accordance with their respective procedures.

Under the terms of the Indenture, we and the Trustee will treat the registered holder of the euro global notes (i.e., Euroclear or Clearstream (or their respective nominee)) as the owner thereof for the purpose of receiving payments and for all other purposes. Consequently, we, the Trustee and their respective agents do not and will not have any responsibility for the performance by Euroclear or Clearstream, or their respective participants or indirect participants, of their respective obligations under the rules and procedures governing their operations.

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U.S. FEDERAL INCOME TAX CONSIDERATIONS

U.S. Federal Income Tax Consequences of the Exchange Offer to Holders of Outstanding Notes

The following discussion is a summary of the material U.S. federal income tax consequences of the exchange offer to holders of outstanding notes, but is not a complete analysis of all potential tax effects. The summary below is based upon the Internal Revenue Code of 1986, as amended, Treasury regulations promulgated thereunder, administrative rulings and pronouncements of the Internal Revenue Service and judicial decisions, all of which are subject to change, possibly with retroactive effect. This summary does not consider the effect of any foreign, state, local, gift, estate or other tax laws that may be applicable to a particular holder.

An exchange of outstanding notes for exchange notes pursuant to the exchange offer will not be treated as a taxable exchange or other taxable event for U.S. federal income tax purposes. Accordingly, there will be no U.S. federal income tax consequences to holders that exchange their outstanding notes for exchange notes in connection with the exchange offer, and any such holder will have the same adjusted tax basis and holding period in the exchange notes as it had in the outstanding notes immediately before the exchange.

The foregoing discussion of U.S. federal income tax considerations does not consider the facts and circumstances of any particular holder’s situation or status. Accordingly, each holder of outstanding notes considering this exchange offer should consult its own tax advisor regarding the tax consequences of the exchange offer to it, including those under foreign, state, local, gift, estate or other tax law.

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PLAN OF DISTRIBUTION

Each broker-dealer that receives exchange notes for its own account pursuant to the exchange offers must acknowledge that it will deliver a prospectus in connection with any resale of the exchange notes. This prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer in connection with resales of exchange notes received in exchange for outstanding notes where the outstanding notes are acquired as a result of market-making activities or other trading activities.

We will not receive any proceeds from any sale of exchange notes by broker-dealers. Exchange notes received by broker-dealers for their own accounts pursuant to the exchange offers may be sold from time to time in one or more transactions in the over-the-counter market, in negotiated transactions, through the writing of options on the exchange notes or a combination of these methods of resale, at market prices prevailing at the time of resale, at prices related to the prevailing market prices or negotiated prices. Any resale may be made directly to purchasers or to through brokers or dealers who may receive compensation in the form of commissions or concessions from any broker-dealer or the purchasers of any exchange notes. Any broker-dealer that resells exchange notes that were received by it for its own account pursuant to the exchange offers and any broker or dealer that participates in a distribution of the exchange notes may be deemed to be an “underwriter” within the meaning of the Securities Act and any profit on any resale of exchange notes and any commissions or concessions received by these persons may be deemed to be underwriting compensation under the Securities Act. The letter of transmittal states that by acknowledging that it will deliver and by delivering a prospectus, a broker-dealer will not be deemed to admit that it is an “underwriter” within the meaning of the Securities Act.

We have agreed to pay all expenses incident to the exchange offers and will indemnify the holders of outstanding notes, including any broker-dealers, against certain liabilities, including liabilities under the Securities Act.

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LEGAL MATTERS

The validity of the exchange notes and the guarantees has been passed upon for us by Morrison & Foerster LLP, New York, New York. In passing on the validity of the exchange notes and the guarantees, Morrison & Foerster LLP relied upon the opinion of Butler Snow LLP, as to certain matters of the laws of the State of Mississippi, the opinion of Ballard Spahr LLP, as to certain matters of the laws of the State of Pennsylvania, and the opinion of Kirkland & Ellis LLP, as to certain matters of the laws of the State of Texas.

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EXPERTS

The financial statements as of December 31, 2015 and 2014 and for each of the three years in the period ended December 31, 2015 included in this prospectus have been so included in reliance on the report of PricewaterhouseCoopers LLP, an independent registered public accounting firm, given on the authority of said firm as experts in auditing and accounting.

Explanation of Responses:

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Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of The Chemours Company:

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of The Chemours Company and its subsidiaries at December 31, 2015 and 2014, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2015 in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion the accompanying financial statement schedule presents fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements. These financial statements and the financial statement schedule are the responsibility of the Company’s management. Our responsibility is to express an opinion on these financial statements and the financial statement schedule based on our audits. We conducted our audits of these statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

/s/ PricewaterhouseCoopers LLP

Philadelphia, Pennsylvania

February 25, 2016, except for Note 26, Guarantor Condensed Consolidating Financial Information, for which the date is March 18, 2016

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The Chemours Company
Consolidated Statements of Operations
(Dollars in millions, except per share)

	Year Ended December 31,		
	2015	2014	2013
Net sales	$ 5,717	$ 6,432	$ 6,859
Cost of goods sold	4,762	5,072	5,395
Gross profit	955	1,360	1,464
Selling, general and administrative expense	632	685	768
Research and development expense	97	143	164
Employee separation and asset related charges, net	333	21	2
Goodwill impairment	25	—	—
Total expenses	1,087	849	934
Equity in earnings of affiliates	22	20	22
Interest expense, net	(132)	—	—
Other income, net	54	19	24
(Loss) income before income taxes	(188)	550	576
(Benefit from) provision for income taxes	(98)	149	152
Net (loss) income	(90)	401	424
Less: Net income attributable to noncontrolling interests	—	1	1
Net (loss) income attributable to Chemours	$ (90)	$ 400	$ 423
Per share data			
Basic (loss) earnings per share of common stock	$ (0.50)	$ 2.21(1)	$ 2.34(1)
Diluted (loss) earnings per share of common stock	$ (0.50)	$ 2.21(1)	$ 2.34(1)
Dividends per share of common stock	$ 0.58	N/A	N/A

(1)
On July 1, 2015, E. I. du Pont de Nemours and Company distributed 180,966,833 shares of Chemours' common stock to holders of its common stock. Basic and diluted (loss) earnings per common share for the years ended December 31, 2014 and 2013 were calculated using the shares distributed on July 1, 2015. Refer to Note 9 for information regarding the calculation of basic and diluted earnings per share.

See accompanying notes to the consolidated financial statements.
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The Chemours Company
Consolidated Statements of Comprehensive (Loss) Income
(Dollars in millions)

	Year Ended December 31,								
	2015			2014			2013		
	Pre-Tax	Tax	After-Tax	Pre-Tax	Tax	After-Tax	Pre-Tax	Tax	After-Tax
Net (loss) income	$ (188)	$ 98	$ (90)	$ 550	$ (149)	$ 401	$ 576	$ (152)	$ 424
Other comprehensive (loss) income:									
Unrealized gain on net investment hedge	8	—	8	—	—	—	—	—	—
Cumulative translation adjustments	(304)	—	(304)	—	—	—	—	—	—
Defined benefit plans, net:									
Net loss	(11)	1	(10)	—	—	—	—	—	—
Prior service credit	24	(4)	20	—	—	—	—	—	—
Effect of foreign exchange rates	33	(8)	25	—	—	—	—	—	—
Reclassifications to net income:(1)									
Amortization of prior service cost	4	—	4	—	—	—	—	—	—
Amortization of loss	16	(3)	13	—	—	—	—	—	—
Defined benefit plans, net	66	(14)	52	—	—	—	—	—	—
Other comprehensive loss	(230)	(14)	(244)	—	—	—	—	—	—
Comprehensive (loss) income	(418)	84	(334)	550	(149)	401	576	(152)	424
Less: Comprehensive income attributable to noncontrolling	—	—	—	1	—	1	1	—	1

interests									
Comprehensive (loss) income attributable to Chemours	$ (418)	$ 84	$ (334)	$ 549	$ (149)	$ 400	$ 575	$ (152)	$ 423

(1)
These other comprehensive income (loss) components are included in the computation of net periodic benefit costs. Refer to Note 21 for further information.

See accompanying notes to the consolidated financial statements.
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The Chemours Company
Consolidated Balance Sheets
(Dollars in millions, except per share amount)

	December 31, 2015	December 31, 2014
Assets		
Current assets:		
Cash	$ 366	$ —
Accounts and notes receivable–trade, net	859	846
Inventories	972	1,052
Prepaid expenses and other	104	43
Total current assets	2,301	1,941
Property, plant and equipment	9,015	9,282
Less: Accumulated depreciation	(5,838)	(5,974)
Net property, plant and equipment	3,177	3,308
Goodwill	166	198
Other intangible assets, net	10	11
Investments in affiliates	136	124
Other assets	508	377
Total assets	$ 6,298	$ 5,959
Liabilities and equity		
Current liabilities:		
Accounts payable	$ 973	$ 1,046
Short-term borrowings and current maturities of long-term debt	39	—
Other accrued liabilities	454	352
Total current liabilities	1,466	1,398
Long-term debt	3,915	—
Other liabilities	553	464
Deferred income taxes	234	424
Total liabilities	6,168	2,286
Commitments and contingent liabilities		
Equity		
Common stock (par value $0.01 per share; 810,000,000 shares authorized; 181,069,751 shares issued and outstanding as of December 31, 2015)	2	—
Additional paid-in capital	775	—
DuPont Company Net Investment, prior to separation	—	3,650
Accumulated deficit	(115)	—
Accumulated other comprehensive (loss) income	(536)	19
Total Chemours stockholders’ equity	126	3,669
Noncontrolling interests	4	4
Total equity	130	3,673

Total liabilities and equity	$ 6,298	$ 5,959

See accompanying notes to the consolidated financial statements.
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The Chemours Company
Consolidated Statements of Stockholders' Equity
Years ended December 31, 2015, 2014 and 2013
(Dollars in millions)

	Common Stock		DuPont Company Net Investment	Additional Paid-In Capital	Accumulated Other Comprehensive Income (Loss)	Noncontrolling Interests	Accumulated Deficit	Total
	Shares	Amount						
Balance at December 31, 2012	—	$ —	$ 3,146	$ —	$ 19	$ 2	$ —	$ 3,167
Net income	—	—	423	—	—	1	—	424
Net transfers from DuPont	—	—	(374)	—	—	—	—	(374)
Balance at December 31, 2013	—	—	3,195	—	19	3	—	3,217
Net income	—	—	400	—	—	1	—	401
Net transfers from DuPont	—	—	55	—	—	—	—	55
Balance at December 31, 2014	—	—	3,650	—	19	4	—	3,673
Net income	—	—	25	—	—	—	(115)	(90)
Other comprehensive loss	—	—	—	—	(244)	—	—	(244)
Issuance of Common Stock at separation	180,966,833	2	—	(2)	—	—	—	—
Common Stock issued – compensation plans	102,918	—	—	—	—	—	—	—
Establishment of pension plans, net and related accumulated other comprehensive income (loss)	—	—	268	—	(311)	—	—	(43)
Dividends declared	—	—	(100)	(5)	—	—	—	(105)
	—	—	(507)	—	—	—	—	(507)

Non-cash debt exchange								
Cash provided at separation by DuPont	—	—	247	—	—	—	—	247
Net transfers from DuPont, net of elimination of predecessor balances	—	—	(3,583)	769	—	—	—	(2,814)
Stock-based compensation expense	—	—	—	13	—	—	—	13
Balance at December 31, 2015	181,069,751	$ 2	$ —	$ 775	$ (536)	$ 4	$ (115)	$ 130

See accompanying notes to the consolidated financial statements.
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The Chemours Company
Consolidated Statements of Cash Flows
(Dollars in millions)

	Year Ended December 31,		
	2015	2014	2013
Operating activities			
Net (loss) income	$ (90)	$ 401	$ 424
Adjustments to reconcile net (loss) income to cash provided by operating activities:			
Depreciation and amortization	267	257	261
Amortization of deferred financing costs and issuance discount	8	—	—
Other operating charges and credits, net	7	18	13
Loss (gain) on sale of assets and businesses	9	(40)	(7)
Equity in earnings of affiliates, net of dividends received of $23, $19 and $19	—	1	(1)
Deferred tax benefit	(198)	(22)	(14)
Asset related charges	206	—	—
(Increase) decrease in operating assets:			
Accounts and notes receivable–trade, net	(64)	4	(37)
Inventories and other operating assets	19	(29)	(75)
Increase (decrease) in operating liabilities:			
Accounts payable and other operating liabilities	18	(85)	234
Cash provided by operating activities	182	505	798
Investing activities			
Purchases of property, plant and equipment	(519)	(604)	(438)
Proceeds from sales of assets, net	12	32	14
Foreign exchange contract settlements	42	—	—
Investment in affiliates	(32)	(8)	—
Other investing activities	—	20	—
Cash used for investing activities	(497)	(560)	(424)
Financing activities			
Proceeds from issuance of debt, net	3,491	—	—
Debt repayments	(10)	—	—
Dividends paid	(105)	—	—
Debt issuance costs	(79)	—	—
Cash provided at separation by DuPont	247	—	—
Net transfers (to) from DuPont	(2,857)	55	(374)
Cash provided by (used for) financing activities	687	55	(374)
Effect of exchange rate changes on cash	(6)	—	—
Increase in cash	366	—	—
Cash at beginning of year	—	—	—

Explanation of Responses:

Cash at end of year	$ 366	$ —	$ —
SUPPLEMENTAL CASH FLOW INFORMATION:			
Cash paid during the year for:			
Interest, net of amounts capitalized	$ 103	$ —	$ —
Income taxes, net of refunds	$ 53	$ —	$ —
Non-cash change in property, plant and equipment included in accounts payable	$ 45	$ (11)	$ —

See accompanying notes to the consolidated financial statements.

Explanation of Responses:

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The Chemours Company
Notes to the Consolidated Financial Statements
(Dollars in millions, except per share)

Note 1. Background and Description of the Business

The Chemours Company (Chemours or the Company) delivers customized solutions with a wide range of industrial and specialty chemical products for markets including plastics and coatings, refrigeration and air conditioning, general industrial, mining and oil refining. Principal products include titanium dioxide (TiO2), refrigerants, industrial fluoropolymer resins, sodium cyanide, sulfuric acid and aniline. Chemours consists of three reportable segments: Titanium Technologies, Fluoroproducts and Chemical Solutions.

Chemours is globally operated with manufacturing facilities, sales centers, administrative offices and warehouses located throughout the world. Chemours' operations are primarily located in the United States (U.S.), Canada, Mexico, Brazil, the Netherlands, Belgium, China, Taiwan, Japan, Switzerland, Singapore, Hong Kong, India, the United Kingdom, and France. As of December 31, 2015, Chemours consists of 35 production facilities globally, five dedicated to Titanium Technologies, 16 dedicated to Fluoroproducts, 13 dedicated to Chemical Solutions and one that supports multiple Chemours segments.

Effective prior to the opening of trading on the New York Stock Exchange (NYSE) on July 1, 2015 (the Distribution Date), E. I. du Pont de Nemours and Company (DuPont) completed the previously announced separation of the businesses comprising DuPont's Performance Chemicals reporting segment, and certain other assets and liabilities, into Chemours, a separate and distinct public company. The separation was completed by way of a distribution of all of the then-outstanding shares of common stock of Chemours through a dividend in kind of Chemours' common stock (par value $0.01) to holders of DuPont common stock (par value $0.30) as of the close of business on June 23, 2015 (the Record Date) (the transaction referred to herein as the Distribution).

On the Distribution Date, each holder of DuPont's common stock received one share of Chemours' common stock for every five shares of DuPont's common stock held on the Record Date. The spin-off was completed pursuant to a separation agreement and other agreements with DuPont related to the spin-off, including an employee matters agreement, a tax matters agreement, a transition services agreement and an intellectual property cross-license agreement. These agreements govern the relationship between Chemours and DuPont following the spin-off and provided for the allocation of various assets, liabilities, rights and obligations. These agreements also include arrangements for transition services to be provided by DuPont to Chemours.

Unless the context otherwise requires, references in these Notes to the Consolidated Financial Statements to "we," "us," "our," "Chemours" and the "Company" refer to The Chemours Company and its consolidated subsidiaries after giving effect to the Distribution.

Note 2. Basis of Presentation

The accompanying Consolidated Financial Statements have been prepared in accordance with generally accepted accounting principles in the United States (GAAP). In the opinion of management, all adjustments considered necessary for a fair statement of the results have been included. Certain reclassifications of prior year's data have been made to conform to the current presentation, primarily relating to the adoption of Accounting Standards Update (ASU) No. 2015-17, "Income Taxes (Topic 740) —Balance Sheet Classification of Deferred Taxes" (see recent accounting pronouncements in Note 3 for further information). Unless otherwise stated, references to years relate to Chemours' fiscal years. The notes that follow are an integral part of the Consolidated Financial Statements.

Chemours did not operate as a separate, stand-alone entity for the full period covered by Consolidated Financial Statements. Prior to our spin-off on July 1, 2015, Chemours operations were included in DuPont's financial results in different legal forms, including but not limited to wholly-owned subsidiaries for which Chemours was the sole business, components of legal entities in which Chemours operated in conjunction with other DuPont businesses and a majority owned joint venture. For periods prior to July 1, 2015, the accompanying Consolidated Financial Statements have been prepared from DuPont's historical

accounting records and are presented on a stand-alone basis as if the business operations had been conducted independently from DuPont. Prior to January 1, 2015, aside from a Japanese entity that is a dual-resident for U.S. federal income tax purposes, there was no direct ownership relationship among all the other various legal entities comprising Chemours. Prior to July 1, 2015, DuPont and its subsidiaries' net investments in these operations are shown in lieu of Stockholder's Equity in the Consolidated Financial Statements. The Consolidated Financial Statements include the historical operations, assets and liabilities of the legal entities that are considered to comprise the Chemours business, including certain environmental remediation and litigation obligations of DuPont and its subsidiaries that Chemours may be required to indemnify pursuant to the separation-related agreements executed prior to the spin-off.

All of the allocations and estimates in the Consolidated Financial Statements prior to July 1, 2015 are based on assumptions that management believes are reasonable. However, the Consolidated Financial Statements included herein may not be indicative of the financial position, results of operations and cash flows of Chemours in the future or if Chemours had been a separate, stand-alone entity during the periods presented.

The net transfers from DuPont on the Consolidated Statements of Stockholder's Equity include a non-cash contribution from DuPont of $109 for the year ended December 31, 2015. This non-cash contribution occurred during physical separation activities at shared production facilities in the United States prior to the spin-off and certain assets identified at separation. It was determined that assets previously managed by other DuPont businesses would be transferred to and managed by Chemours.

Note 3. Summary of Significant Accounting Policies

These Consolidated Financial Statements have been prepared in accordance with GAAP. The significant accounting policies described below, together with the other notes that follow, are an integral part of the Consolidated Financial Statements.

Preparation of Financial Statements

The preparation of the Consolidated Financial Statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the Consolidated Financial Statements and the reported amounts of revenues and expenses, including allocations of costs as discussed above, during the reporting period. Management's estimates are based on historical experience, facts and circumstances available at the time and various other assumptions that we believe are reasonable. Actual results could differ from those estimates.

Principles of Consolidation and Combination

The Consolidated Financial Statements include the accounts Chemours and its subsidiaries, and entities in which a controlling interest is maintained. For those consolidated subsidiaries in which the Company's ownership is less than 100%, the outside shareholders' interests are shown as noncontrolling interests. Investments in companies in which Chemours, directly or indirectly, owns 20% to 50% of the voting stock and has the ability to exercise significant influence over operating and financial policies of the investee are accounting for using the equity method of accounting. As a result, Chemours' share of the earnings or losses of such equity affiliates is included in the accompanying Consolidated Statements of Operations and our share of these companies' stockholders' equity is included in the accompanying Consolidated Balance Sheets.

The financial statements for the periods prior to our spin-off on July 1, 2015 include the combined assets, liabilities, revenues, and expenses of Chemours. We eliminated all intercompany accounts and transactions in the preparation of the accompanying Consolidated and Combined Financial Statements.

Revenue Recognition

Revenue is recognized when the earnings process is complete. Revenue for product sales is recognized when products are shipped to the customer in accordance with the terms of the agreement, when title and risk of loss have been transferred, collectability is reasonably assured and pricing is fixed or determinable. Revenue associated with advance payments are recorded as deferred revenue and are recognized as shipments are made and title, ownership and risk of loss pass to the customer. Accruals are made for sales returns and other allowances based on historical experience. Cash sales incentives are accounted for as a reduction in sales and noncash sales incentives are recorded as a charge to cost of goods sold at the time the revenue or selling expense, depending on the nature of the incentive, is recorded. Amounts billed to customers for shipping and handling fees are included in net sales and costs incurred by Chemours for the delivery of goods are classified as cost of goods sold in the Consolidated Statements of Operations. Taxes on revenue-producing transactions are excluded from net sales. Licensing and royalty income is recognized in accordance with agreed upon terms, when performance obligations are satisfied, the amount is fixed or determinable and collectability is reasonably assured.

Cash and Cash Equivalents

Cash and cash equivalents generally include cash, time deposits or highly liquid investments with original maturities of three months or less.

Prior to the spin-off, Chemours participated in DuPont’s centralized cash management and financing programs (see Note 4 for additional information).

Receivables and Allowance for Doubtful Accounts

Receivables are recognized net of an allowance for doubtful accounts. The allowance for doubtful accounts reflects the best estimate of losses inherent in Chemours’ accounts receivable portfolio determined on the basis of historical experience, specific allowances for known troubled accounts and other available evidence. Accounts receivable are written off when management determines that they are uncollectible.

Inventories

Chemours’ inventories are valued at the lower of cost or market. Inventories held at substantially all U.S. locations are valued using the last-in, first-out (LIFO) method. Inventories held outside the U.S. are determined by the average cost method. Elements of cost in inventories include raw materials, direct labor, and manufacturing overhead. Stores and supplies are valued at cost or market, whichever is lower; cost is generally determined by the average cost method. Approximately 61% and 52% of inventory is on a LIFO basis as of December 31, 2015 and 2014, respectively. The remainder is accounted for using the average cost method.

Property, Plant and Equipment

Property, plant and equipment is carried at cost and is depreciated using the straight-line method. Property, plant and equipment placed in service prior to 1995 is depreciated under the sum-of-the-years’ digits method or other substantially similar methods. Substantially all equipment and buildings are depreciated over useful lives ranging from 15 to 25 years. Capitalizable costs associated with computer software for internal use are amortized on a straight-line basis over five to seven years. When assets are surrendered, retired, sold or otherwise disposed of, their gross carrying values and related accumulated depreciation are removed from the balance sheet and included in determining gain or loss on such disposals.

Repair and maintenance costs that materially add to the value of the asset or prolong its useful life are capitalized and depreciated based on the extension to the useful life. Capitalized repair and maintenance costs are recorded on the Consolidated Balance Sheets in other assets.

Direct Financing Type Leases

Certain of Chemours' facilities are located on land owned by third parties. The plant and equipment built on this land is constructed by, owned, and operated by Chemours for the exclusive benefit of the third party landlord. The useful lives of the equipment are generally shorter than the lease term, or there exists a purchase option for the third party to acquire the equipment at the end of the lease term. Based on an analysis of the underlying agreements, management has determined that these agreements and property represent a direct financing type lease, whereby Chemours is the lessor of its equipment to the third party landlords. As such, the related plant and equipment are reported as leases receivable. The current portion is included in accounts and notes receivable–trade, net (see Note 10) and the non-current portion is included in other assets (see Note 14) in the Consolidated Balance Sheets. The equipment has zero net book value within property, plant and equipment.

Goodwill and Other Intangible Assets

The excess of the purchase price over the estimated fair value of the net assets acquired, including identified intangibles, is recorded as goodwill. Goodwill is tested for impairment annually on October 1; however, these tests are performed more frequently when events or changes in circumstances indicate that the asset may be impaired. Impairment exists when carrying value exceeds fair value. Goodwill is evaluated for impairment at the reporting unit level.

Evaluating goodwill for impairment is a two-step process. In the first step, Chemours compares the carrying value of net assets to the fair value of the related operations. Chemours' methodology for estimating the fair value of its reporting units is using the income approach based on the present value of future cash flows. The factors considered in determining the cash flows include: 1) macroeconomic conditions; 2) industry and market considerations; 3) costs of raw materials, labor or other costs having a negative effect on earnings and cash flows; 4) overall financial performance; and 5) other relevant entity-specific events. If the fair value is determined to be less than the carrying value, a second step is performed to compute the amount of the impairment.

Definite-lived intangible assets, such as purchased and licensed technology, patents, trademarks, and customer lists are amortized over their estimated useful lives, generally for periods ranging from five to 20 years. The reasonableness of the useful lives of these assets is continually evaluated.

Impairment of Long-Lived Assets

Chemours evaluates the carrying value of long-lived assets to be held and used when events or changes in circumstances indicate the carrying value may not be recoverable. For purposes of recognition or measurement of an impairment loss, the assessment is performed on the asset or asset group at the lowest level for which identifiable cash flows are largely independent of the cash flows of other groups of assets and liabilities. To determine the level at which the assessment is performed, Chemours considers factors such as revenue dependency, shared costs and the extent of vertical integration.

The carrying value of a long-lived asset is considered impaired when the total projected undiscounted cash flows from the use and eventual disposition of an asset or asset group are separately identifiable and are less than its carrying value. In that event, a loss is recognized based on the amount by which the carrying value exceeds the fair value of the long-lived asset. The fair value methodology used is an estimate of fair market value which is made based on prices of similar assets or other valuation methodologies including present value techniques. Long-lived assets to be disposed of other than by sale are classified as held for use until their disposal. Long-lived assets to be disposed of by sale are classified as held for sale and are reported at the lower of carrying amount or fair market value less cost to sell. Depreciation is discontinued for long-lived assets classified as held for sale.

Research and Development

Research and development costs are expensed as incurred. Research and development expenses include costs (primarily consisting of employee costs, materials, contract services, research agreements, and other external spend) relating to the discovery and development of new products, enhancement of existing products and regulatory approval of new and existing products.

Environmental Liabilities and Expenditures

Chemours accrues for remediation activities when it is probable that a liability has been incurred and a reasonable estimate of the liability can be made. Environmental liabilities and expenditures included in the Consolidated Financial Statements include claims for matters that are liabilities of DuPont and its subsidiaries, that Chemours may be required to indemnify pursuant to the separation-related agreements executed prior to the spin-off. Accruals for environmental matters are recorded in cost of goods sold when it is probable that a liability has been incurred and the amount of the liability can be reasonably estimated. Accrued liabilities do not include claims against third parties and are not discounted.

Costs related to environmental remediation are charged to expense in the period incurred. Other environmental costs are also charged to expense in the period incurred, unless they increase the value of the property or reduce or prevent contamination from future operations, in which case they are capitalized and amortized.

Asset Retirement Obligations

Chemours records asset retirement obligations at fair value at the time the liability is incurred. Fair value is measured using expected future cash outflows discounted at Chemours' credit-adjusted risk-free interest rate, which are considered level 3 inputs. Accretion expense is recognized as an operating expense classified within cost of goods sold on the Consolidated Income Statements using the credit-adjusted risk-free interest rate in effect when the liability was recognized. The associated asset retirement obligations are capitalized as part of the carrying amount of the long-lived asset and depreciated over the estimated remaining useful life of the asset, generally for periods ranging from two to 25 years.

Litigation

Chemours accrues for litigation matters when it is probable that a liability has been incurred and the amount of the liability can be reasonably estimated. Litigation liabilities and expenditures included in the Consolidated Financial Statements represent litigation matters that are liabilities of DuPont and its subsidiaries, that Chemours may be required to indemnify pursuant to the separation-related agreements executed prior to the spin-off. Legal costs such as outside counsel fees and expenses are charged to expense in the period services are received.

Insurance

Chemours insures certain risks where permitted by law or regulation, including workers' compensation, vehicle liability and employee related benefits. Liabilities associated with these risks are estimated in part by considering historical claims experience, demographic factors and other actuarial assumptions. For other risks, the Company uses a combination of insurance and self-insurance, reflecting comprehensive reviews of relevant risks. A receivable for an insurance recovery is generally recognized when the loss has occurred and collection is considered probable.

Prior to the spin-off, Chemours was a participant in DuPont's self-insurance program where permitted by law or regulation, including workers' compensation, vehicle liability and employee related benefits. Liabilities associated with these risks are estimated in part by considering historical claims experience, demographic factors, and other actuarial assumptions. For other risks, a combination of insurance and self-insurance is used, reflecting comprehensive reviews of relevant risks. The annual cost was allocated to

all of the participating businesses using methodologies deemed reasonable by management. All obligations pursuant to these plans have historically been obligations of DuPont. As such, these obligations were not included in the Consolidated Balance Sheets, with the exception of self-insurance liabilities related to workers compensation, vehicle liability and employee related benefits.

Defined Benefit Plans

We have defined benefit plans covering certain of our employees outside the U.S., which are generally required by local regulations. The benefits, which primarily relate to pension, are accrued over the employees' service periods. We use actuarial methods and assumptions in the valuation of defined benefit obligations and the determination of net periodic pension income or expense. Differences between actual and expected results or changes in the value of defined benefit obligations and plan assets, if any, are not recognized in earnings as they occur but rather systematically over subsequent periods.

Stock-based Compensation

Chemours' stock-based compensation consists of stock options and restricted stock units (RSUs) to employees and non-employee directors. Stock options are measured at fair value on the grant date or date of modification, as applicable. We recognize compensation expense on a straight-line basis over the requisite service period. The number of awards ultimately expected to vest is determined by use of an estimated forfeiture rate. The estimated forfeiture rate is based on historical data for the employee group awarded options and expected employee turnover rates, which management reevaluates each period.

Income Taxes

The 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 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 financial and tax basis of Chemours' 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.

Chemours recognizes income tax positions that meet the more likely than not threshold and accrues interest related to unrecognized income tax positions, which is included in other income, net in our Consolidated Statements of Operations. Income tax related penalties are included in the provision for income taxes.

Chemours does not provide for income taxes on undistributed earnings of all foreign subsidiaries that are intended to be indefinitely reinvested.

Prior to the separation on July 1, 2015, income taxes presented attributed current and deferred income taxes of DuPont to Chemours' stand-alone financial statements in a manner that is systematic, rational, and consistent with the asset and liability method prescribed by ASC 740, Income Taxes (ASC 740). Accordingly, Chemours' income tax provision was prepared following the separate return method. The separate return method applies ASC 740 to the stand-alone financial statements of each member of the consolidated group as if the group member were a separate taxpayer and a stand-alone enterprise.

Foreign Currency Translation

Chemours identifies its separate and distinct foreign entities and groups them into two categories: (1) extensions of the parent (U.S. dollar functional currency) and (2) self-contained (local functional currency). If a foreign entity does not align with either category, factors are evaluated and a judgment is made to determine the functional currency. Chemours changes the functional currency of its separate and

distinct foreign entities only when significant changes in economic facts and circumstances indicate clearly that the functional currency has changed.

During the periods covered by the Consolidated Financial Statements, part of the Chemours business operated within foreign entities. For foreign entities where the U.S. dollar is the functional currency, all foreign currency-denominated asset and liability amounts are remeasured into U.S. dollars at end-of-period exchange rates, except for inventories; prepaid expenses; property, plant and equipment; goodwill and other intangible assets, which are remeasured at historical rates. Foreign currency-denominated income and expenses are remeasured at average exchange rates in effect during the period, except for expenses related to balance sheet amounts remeasured at historical exchange rates. Exchange gains and losses arising from remeasurement of foreign currency-denominated monetary assets and liabilities are included in other income, net in the period in which they occur.

For foreign entities where the local currency is the functional currency, assets and liabilities denominated in local currencies are translated into U.S. dollars at end-of-period exchange rates and the resulting translation adjustments are reported as a component of accumulated other comprehensive (loss) income in equity. Assets and liabilities denominated in other than the functional currency are remeasured into the functional currency prior to translation into U.S. dollars and the resulting exchange gains or losses are included in income in the period in which they occur. Income and expenses are translated into U.S. dollars at average exchange rates in effect during the period.

Beginning in 2015, when the Chemours operations were legally and operationally separated within DuPont in anticipation of the spin-off, certain of Chemours foreign entities set their local currency as the functional currency.

Derivatives

Chemours enters into forward currency exchange contracts to minimize volatility in earnings related to the foreign exchange gains and losses resulting from remeasuring net monetary assets that Chemours holds which are denominated in non-functional currencies. Chemours does not hold or issue financial instruments for speculative or trading purposes. The derivative assets and liabilities are reported on a gross basis in the Consolidated Balance Sheets. All gains and losses resulting from the revaluation of the derivative assets and liabilities are recognized in other income, net in the Consolidated Statements of Operations during the period in which they occurred. Please refer to Note 20 for additional information.

Fair Value Measurement

Under the accounting for fair value measurements and disclosures, a fair value hierarchy was established that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets and 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.

Chemours uses the following valuation techniques to measure fair value for its assets and liabilities:

(a)
Level 1—Quoted market prices in active markets for identical assets and liabilities;

(b)
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

(c)
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.

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Explanation of Responses:

Recent Accounting Pronouncements

In November 2015, the Financial Accounting Standards Board (FASB) issued ASU No. 2015-17, "Income Taxes (Topic 740)—Balance Sheet Classification of Deferred Taxes," to simplify the presentation of deferred income taxes and require that deferred income tax liabilities and assets be classified as noncurrent in a classified statement of financial position. The amendments are effective for financial statements issued for annual periods beginning after December 15, 2016, and interim periods within those annual periods, and earlier application is permitted for all entities as of the beginning of an interim or annual reporting period. The Company retroactively adopted this change effective in 2015 and as such the 2014 Consolidated Balance Sheet reflects the reclassifications affecting total current assets, total assets, total current liabilities and total liabilities. The reclassifications did not have a significant impact on Chemours' financial position and had no impact on its results of operations or cash flows. See Note 8 for additional information.

In June 2015, the FASB issued ASU No. 2015-11, "Inventory (Topic 330), Simplifying the Measurement of Inventory," which requires an entity to measure inventory at the lower of cost and net realizable value. Net realizable value is the estimated selling prices in the ordinary course of business, less reasonably predictable costs of completion, disposal, and transportation. Currently, the inventory standard requires an entity to measure inventory at the lower of cost or market. Market could be replacement cost, net realizable value, or net realizable value less an approximately normal profit margin. The amendment does not apply to inventory that is measured using LIFO or the retail inventory method but applies to all other inventory, which includes inventory that is measured using first-in, first-out (FIFO) or average cost. The amendment is effective for fiscal years beginning after December 15, 2016, including interim periods within those fiscal years, and should be applied prospectively with earlier application permitted as of the beginning of an interim or annual reporting period. Chemours is currently evaluating the impact of adopting this guidance.

In May 2015, the FASB issued ASU No. 2015-07, "Fair Value Measurement (Topic 820)—Disclosures for Investment in Certain Entities that Calculate Net Asset Value per Share or its Equivalent." This guidance removes the requirement to categorize within the fair value hierarchy all investments for which fair value is measured using the net asset value per share practical expedient. The guidance also removes the requirement to make certain disclosures for all investments that are eligible to be measured at fair value using the net asset value per share practical expedient. Rather, those disclosures are limited to investments for which the entity has elected to measure the fair value using that practical expedient. The amendment is effective for fiscal years beginning after December 15, 2015 and interim periods within those fiscal years. A reporting entity should apply the amendments retrospectively to all periods presented and earlier application is permitted. Chemours adopted this guidance effective January 1, 2016. The adoption is not expected to have a significant impact on our financial position and results of operations.

In April 2015, the FASB issued ASU No. 2015-05, "Customer's Accounting for Fees Paid in a Cloud Computing Arrangement," which provides guidance about whether a cloud computing arrangement includes a software license. The customer should account for the software license element of the arrangement consistent with the acquisition of other software licenses. If the cloud computing arrangement does not include a software license, the customer should account for the arrangement as a service contract. This guidance is effective for annual periods, including interim periods within those annual periods, beginning after December 15, 2015, and early adoption is permitted. Chemours adopted this guidance effective January 1, 2016. The adoption is not expected to have a significant impact on our financial position and results of operations.

In April 2015, the FASB issued ASU No. 2015-03, "Interest—Imputation of Interest (Subtopic 835-30)," which requires debt issuance costs related to a recognized debt liability to be presented in the balance sheet as a direct deduction from the carrying amount of that debt liability, consistent with debt discounts. The guidance is effective for public entities for fiscal years, and for interim periods within those

fiscal years, beginning after December 15, 2015 with early adoption permitted, including adoption in an interim period. Chemours adopted this guidance for the quarter ending June 30, 2015. The adoption of this standard had no impact on Chemours' results of operations or cash flows. Due to the accounting change described above, Chemours recorded debt issuance costs incurred for the issuance of its senior secured term loans and senior unsecured notes as a reduction of the liability on the Consolidated Balance Sheets. See Note 18 for additional information.

In February 2015, the FASB issued ASU No. 2015-02, "Consolidation (Topic 810): Amendments to the Consolidation Analysis." The amendments modify the evaluation of whether limited partnerships and similar legal entities are variable interest entities (VIEs) or voting interest entities and eliminate the presumption that a general partner should consolidate a limited partnership. The amendment is effective for public entities for fiscal years, and for interim periods within those fiscal years, beginning after December 15, 2015. Chemours adopted this guidance effective January 1, 2016. The adoption is not expected to have a significant impact on our financial position and results of operations.

In May 2014, the FASB and the International Accounting Standards Board (IASB) jointly issued ASU No. 2014-09, "Revenue from Contracts with Customers (Topic 606)," which clarifies the principles for recognizing revenue and develops a common revenue standard for GAAP and International Financial Reporting Standards (IFRS). The core principle of the guidance is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. The guidance is effective for public entities for annual and interim periods beginning after December 15, 2016 (original effective date). In July 2015, the FASB approved a deferral of the effective date of this guidance to provide entities with adequate time to effectively implement the new revenue standard and adoption as of the original effective date is permitted. The Company is currently evaluating the impact of adopting this guidance on its financial position and results of operations.

In April 2014, the FASB issued ASU No. 2014-08, "Reporting Discontinued Operations and Disclosures of Disposals of Components of an Entity," amending existing requirements for reporting discontinued operations and disposals of components of an entity. The amended guidance limits the discontinued operations reporting to disposal transactions that represent strategic shifts having a major effect on operations and financial results. The amendment also enhances disclosures and requires assets and liabilities of a discontinued operation to be classified as such for all periods presented in the financial statements. Chemours adopted this guidance effective on January 1, 2015. Due to the change in requirements for reporting discontinued operations described above, presentation and disclosures of future disposal transactions after adoption may be different than under current standards.

Note 4. Relationship with DuPont and Related Entities

Prior to the spin-off, Chemours was managed and operated in the normal course of business with other affiliates of DuPont. Accordingly, certain shared costs were allocated to Chemours and reflected as expenses in the stand-alone Consolidated Financial Statements. Management of DuPont and Chemours considered the allocation methodologies used to be reasonable and appropriate reflections of the historical DuPont expenses attributable to Chemours for purposes of the stand-alone financial statements. The expenses reflected in the Consolidated Financial Statements may not be indicative of expenses that will be incurred by Chemours in the future.

Subsequent to July 1, 2015, DuPont was no longer a related party of Chemours. Chemours' ongoing relationship with DuPont is governed by a separation agreement and other agreements with DuPont related to the spin-off, including an employee matters agreement, a tax matters agreement, a transition services agreement and an intellectual property cross-license agreement. These agreements provided for the allocation of various assets, liabilities, rights and obligations, and include arrangements for transition services to be provided by DuPont to Chemours.

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Notes to the Consolidated Financial Statements
(Dollars in millions, except per share)

(a)
Related Party Sales

Prior to the spin-off, including certain periods covered by the Consolidated Financial Statements, Chemours sold finished goods to DuPont and its non-Chemours businesses.
Related party sales to DuPont include the following amounts:

	Year Ended December 31,		
Selling Segment	2015	2014	2013
Titanium Technologies	$ 2(1)	$ —	$ 6
Fluoroproducts	34(1)	45	37
Chemical Solutions	21(1)	65	78
Total	$ 57	$ 110	$ 121

(1)
Subsequent to the spin-off on July 1, 2015, transactions with DuPont businesses were not considered related party transactions.

(b)
Leveraged Services and Corporate Costs

Prior to the spin-off on July 1, 2015, DuPont incurred significant corporate costs for services provided to Chemours as well as other DuPont businesses. These costs included expenses for information systems, accounting, other financial services such as treasury and audit, purchasing, human resources, legal, facilities, engineering, corporate research and development, corporate stewardship, marketing and business analysis support.
A portion of these costs benefited multiple or all DuPont businesses, including Chemours, and were allocated to Chemours and its reportable segments using methods based on proportionate formulas involving total costs or other various allocation methods that management considered consistent and reasonable. Other Chemours corporate costs are not allocated to the reportable segments and are reported in Corporate and Other.
The allocated leveraged functional service expenses and general corporate expenses included in the Consolidated Statements of Operations were $238 (through June 30, 2015), $492 and $519 for the years ended December 31, 2015, 2014 and 2013, respectively. Allocated leveraged functional service expenses and general corporate expenses were recorded in the Consolidated Statements of Operations within the following captions:

	Year Ended December 31,		
	2015	2014	2013
Selling, general and administrative expense	$ 205(1)	$ 411	$ 436
Research and development expense	10(1)	49	50
Cost of goods sold	23(1)	32	33
Total	$ 238	$ 492	$ 519

(1)

Subsequent to the spin-off on July 1, 2015, transactions with DuPont businesses were not considered related party transactions. Accordingly, no costs were allocated after the July 1, 2015 spin-off date.

(c)
Cash Management and Financing

For a portion of the periods presented, Chemours participated in DuPont's centralized cash management and financing programs. Disbursements were made through centralized accounts payable systems which were operated by DuPont. Cash receipts were transferred to centralized accounts, also

(Dollars in millions, except per share)

maintained by DuPont. As cash was disbursed and received by DuPont, it was accounted for by Chemours through DuPont Company Net Investment.

The separation-related agreements set forth a process to true-up cash and working capital transferred to us from DuPont at separation. In January 2016, Chemours and DuPont entered into an agreement, contingent upon the credit agreement amendment (described in Note 18), which provided for the extinguishment of payment obligations of cash and working capital true-ups previously contemplated in the separation-related agreements. As a result, Chemours was not required to make any payments to DuPont, nor did DuPont make any payments to Chemours. In addition, the agreement set forth an advance payment of approximately $190, which was paid to Chemours in February 2016, for certain specified goods and services that Chemours expects to provide to DuPont over the next twelve to fifteen months under existing agreements with Chemours.

(d) Tax Matters Agreement

Chemours and DuPont entered into a tax matters agreement that governs the parties' respective rights, responsibilities and obligations with respect to tax liabilities and benefits, tax attributes, the preparation and filing of tax returns, the control of audits and other tax proceedings and other matters regarding taxes. In general, under the agreement, DuPont is responsible for any U.S. federal, state and local taxes (and any related interest, penalties or audit adjustments) reportable on a consolidated, combined or unitary return that includes DuPont or any of its subsidiaries and Chemours and/or any of its subsidiaries for any periods or portions thereof ending on or prior to the date of the separation and Chemours is responsible for any U.S. federal, state, local and foreign taxes (and any related interest, penalties or audit adjustments) that are imposed on Chemours and/or any of its subsidiaries for all tax periods, whether before or after the date of the distribution.

Note 5. Research and Development Expense

Research and development expense directly incurred by Chemours was $87, $94 and $114 for the years ended December 31, 2015, 2014 and 2013, respectively. Research and development expense also includes $10, $49 and $50 for the years ended December 31, 2015, 2014 and 2013, respectively, which represents an assignment of costs associated primarily with DuPont's Corporate Central Research and Development long-term research activities. This assignment was based on the cost of research projects for which Chemours was determined to be the sponsor or co-sponsor. All research services provided by DuPont's Central Research and Development to Chemours were specifically requested by Chemours, covered by service-level agreements and billed based on usage. DuPont research and development services were no longer used after the separation on July 1, 2015.

Note 6. Employee Separation and Asset Related Charges, Net

For the years ended December 31, 2015, 2014 and 2013, Chemours recorded charges for employee separation and asset related charges as follows:

	Year Ended December 31,		
	2015	2014	2013
Employee Separation Charges	$ 137	$ 18	$ 2
Asset Related Charges–Restructuring	133	3	—
Asset Related Charges–Impairment(1)	48	—	—
Decommissioning and other charges–Restructuring	15	—	—
Total	$ 333	$ 21	$ 2

(1)
See Note 12 for further information.

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Transformation Plan

During the third quarter of 2015, Chemours announced a plan to transform the Company by reducing structural costs, growing market positions, optimizing its portfolio, refocusing investments, and enhancing its organization (the "Transformation Plan"). Through a combination of higher free cash flow from operations, lower capital spending, and potential proceeds from asset sales, the Company anticipates reducing its leverage ratio (net debt to Adjusted EBITDA (see Note 23 for definition)). Key actions initiated under the Transformation Plan since the separation included Titanium Technologies plant and production line closures, Fluoroproduct line closures, Reactive Metals Solutions (RMS) plant closure and other cost reduction initiatives including global workforce reduction.

Titanium Technologies Plant Closures: In August 2015, the Company announced the closure of its Edge Moor, Delaware manufacturing site located in the United States. The Edge Moor plant produced TiO2 product for use in the paper industry and other applications where demand has steadily declined, resulting in underused capacity at the plant. In addition, the Company permanently shut down one underused TiO2 production line at its New Johnsonville, Tennessee plant. The Company stopped production at Edge Moor in September 2015 and immediately began decommissioning the plant. The Company expects to complete decommissioning activities in first quarter of 2016 and will begin dismantling thereafter. Dismantling and removal activities are expected to be completed in early 2017.

As a result, the Company recorded charges of approximately $140, which consisted of employee separation costs of $11, property, plant and equipment and other asset impairment charges of $115, and decommission costs and other charges of $14. The Company also expects to incur additional charges of approximately $50 for decommissioning, dismantling and removal costs through early 2017, which will be expensed as incurred.

Fluoroproducts Restructuring: Also, in August 2015, in an effort to improve the profitability of the Fluoroproducts segment, management approved the shutdown of certain production lines of the segment's manufacturing facilities in the United States. As a result, the Company recorded restructuring charges of approximately $21, which consist of property, plant and equipment accelerated depreciation of $18, employee separation costs of $2, and decommissioning and other costs of $1. The Company expects to incur additional charges of approximately $5 for decommissioning, dismantling and removal costs during 2016, which will be expensed as incurred.

RMS Closure: Also during the fourth quarter of 2015, the Company announced the completion of the strategic review of its RMS business and the decision to stop production at the Niagara Falls, New York site by the end of December 2016. The Niagara Falls plant has approximately 200 employees and contractors that will be impacted by this action. In the fourth quarter of 2015, the Company recorded approximately $12 of employee separation costs. Additional restructuring charges of approximately $15 for contract termination, decommissioning and site redevelopment are expected to be incurred in 2016 through 2018. Impairment of RMS related assets were recorded in the third quarter of 2015 (see Note 12 for further information).

Global Restructuring Programs

In November 2015, Chemours announced an additional global workforce reduction of approximately 430 positions. This action is part of ongoing efforts to streamline and simplify the structure of the organization worldwide and to reduce costs. As a result of these actions, the Company recorded approximately $48 of employee separation costs during the fourth quarter of 2015. The headcount reduction is expected to be completed in 2016 and related payments are expected to be substantially complete in 2017.

In June 2015, in light of continued weakness in the global titanium dioxide market cycle and continued foreign currency impacts due to the strengthening of the U.S. dollar, Chemours implemented a restructuring plan to reduce and simplify its cost structure. This plan resulted in a global workforce

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reduction of more than 430 positions. As a result, we recorded a pre-tax charge of $64 for employee separation costs in the year ended December 31, 2015. The actions associated with this charge and all related payments are expected to be substantially complete by the end of 2016.

In 2014, Chemours implemented a restructuring plan to increase productivity and recorded a pre-tax charge of $19 related to this initiative. The charge consisted of $16 related to employee separation costs and $3 for asset shut-down costs. The actions associated with this charge and all related payments are substantially complete as of December 31, 2015.

The charges related to our programs and impairments impacted segment earnings for the years ended December 31, 2015 and 2014 as follows:

	Titanium Technologies	Fluoroproducts	Chemical Solutions	Total
Year ended December 31, 2015				
Titanium Technologies plant closures	$ 140	$ —	$ —	$ 140
Fluoroproducts restructuring and other asset impairment	—	24	—	24
RMS plant closure	—	—	57	57
2015 Restructuring	33	54	25	112(1)
	$ 173	$ 78	$ 82	$ 333
Year ended December 31, 2014				
2014 Restructuring	$ 3	$ 16	$ —	$ 19

(1)
Includes approximately $24 related to corporate overhead functions that was allocated to our segments.

The following table shows the change in our significant liability account balances.

	Titanium Technologies Site Closures	Chemical Solutions Site Closures	2015 Restructuring	2014 Restructuring	Total
Balance as of December 31, 2013	$ —	$ —	$ —	$ —	$ —
Charges to income for the year ended December 31, 2014	—	—	—	16	16
Charges to liability accounts:					
Payments	—	—	—	(2)	(2)
Net currency translation adjustment	—	—	—	(2)	(2)
Balance as of December 31, 2014	—	—	—	12	12
Charges to income for the year ended December 31, 2015	11	12	112	—	135
Charges to liability accounts:					
Payments	—	—	(39)	(11)	(50)

Net currency translation adjustment(1)	—	—	—	—	—
Balance as of December 31, 2015	$ 11	$ 12	$ 73	$ 1	$ 97

(1)
Net currency translation adjustment for the year ended December 31, 2015 was less than $1.

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Note 7. Other Income, Net

	Year Ended December 31,		
	2015	2014	2013
Leasing, contract services and miscellaneous income	$ 25	$ 17	$ 24
Royalty income(1)	19	28	24
Gain on purchase of equity method investment	—	—	7
(Loss) gain on sale of assets and businesses(2)	(9)	40	—
Exchange gains (losses), net(3)	19	(66)	(31)
Total other income, net	$ 54	$ 19	$ 24

(1)
Royalty income is primarily for technology and trademark licensing.

(2)
In 2015, the Company sold its subsidiary in Sweden for proceeds of $4 that resulted in a loss on sale of $9 in the Fluoroproducts segment. In 2014, the gain of $40 includes gains on sales of businesses of $30 and $4 in the Fluoroproducts and Titanium Technologies segments, respectively. The remaining $6 related to gain on other sale of assets in the Fluoroproducts segment.

(3)
Chemours uses foreign currency forward contracts to offset its net exposure, by currency, related to its non-functional currency-denominated monetary assets and liabilities. See Note 20 for further information. The pre-tax exchange gains are recorded in other income, net and the related tax impact is recorded in provision for income taxes in the Consolidated Statements of Operations. The $19 net exchange gain for the year ended December 31, 2015 includes a gain on derivatives of $42, partially offset by a $23 pre-tax exchange loss on non-functional monetary assets and liabilities as a result of the strengthening of the U.S. dollar against the Mexican peso, euro, Thai baht, Chinese yuan and other currencies. Exchange losses in 2014 and 2013, respectively, were primarily driven by the strengthening of the U.S. dollar versus the Swiss franc and the euro in 2014, and a strengthening of the U.S. dollar versus the Venezuelan bolivar and the Brazilian real in 2013.

Note 8. Income Taxes

	Year Ended December 31,		
	2015	2014	2013
Current tax expense:			
U.S. federal	$ 37(1)	$ 85	$ 67
U.S. state and local	1(1)	13	11
International	62	73	88
Total current tax expense	100	171	166
Deferred tax (benefit) expense:			
U.S. federal	(187)	(20)	(4)

U.S. state and local	(14)	(3)	(2)
International	3	1	(8)
Total deferred tax benefit	(198)	(22)	(14)
Total (benefit from) provision for income taxes	$ (98)	$ 149	$ 152

(1)
Recorded pursuant to the tax matters agreement.

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The significant components of deferred tax assets and liabilities are as follows:

	December 31, 2015	December 31, 2014
Deferred tax assets – noncurrent:		
Other assets and other accrued liabilities	$ 257	$ 188
Tax loss carryforwards	124	36
Total deferred tax assets – noncurrent	381	224
Valuation allowance	—	(36)
Total deferred tax assets, net	381	188
Deferred tax liabilities – noncurrent:		
Goodwill and other intangibles	—	(2)
Accrued expenses and other liabilities	(7)	(34)
Property, plant and equipment	(530)	(533)
Inventories and other assets	(31)	(33)
Total deferred tax liabilities – noncurrent	(568)	(602)
Net deferred tax liability	$ (187)	$ (414)

An analysis of the Company’s effective tax rate is as follows:

	Year Ended December 31,		
	2015	2014	2013
Statutory U.S. federal income tax rate	35.0%	35.0%	35.0%
State income taxes, net of federal benefit	5.1%	1.0%	1.0%
Benefit from (lower effective tax rate) on international operations – net	12.0%	(9.6)%	(10.2)%
Valuation allowance	—%	2.0%	1.2%
Exchange (gains) losses	0.5%	2.7%	2.3%
Depletion	3.4%	(3.9)%	(4.1)%
Goodwill	(3.2)%	—%	—%
Section 199 deduction	—%	(0.7)%	(0.8)%
Other, net	(0.5)%	0.6%	2.0%
Total effective tax rate	52.3%	27.1%	26.4%

(Loss) income before income taxes for U.S. and international operations was:

	Year Ended December 31,		
(Dollars in millions)	2015	2014	2013
U.S. (including exports)	$ (492)	$ 244	$ 224
International	304	306	352
Total pre-tax (loss) income	$ (188)	$ 550	$ 576

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Explanation of Responses:

Chemours recorded a tax benefit of $98 for the year ended December 31, 2015 and provisions of $149 and $152 for the years ended December 31, 2014 and 2013, respectively. The $247 decrease in the tax provision was primarily due to tax benefits recognized from the restructuring and asset impairment charges in the United States recorded in the second half of 2015, partially offset by earnings in foreign jurisdictions.

The decrease in state income tax provision and the corresponding increase in the state effective tax rate, net of federal benefit, for the year ended December 31, 2015 as compared to 2014 and 2013 is due to the tax benefit recognized from the restructuring and asset impairment charges in the United States. The tax benefit from international operations is primarily driven by Chemours' overall geographic mix of earnings. The Company did not have valuation allowance as of December 31, 2015 as compared to 2014 and 2013, as the valuation allowance relates to pre-spin assets that are the responsibilities of DuPont pursuant to the tax matters agreement. Exchange (gains) losses principally reflect the impact of non-taxable gains and losses resulting from remeasurement of foreign currency-denominated monetary assets and liabilities. Depletion represents the tax benefit from the percentage depletion deductions taken pursuant to Section 613 of the Code. Goodwill represents the tax effect of the goodwill reallocation based on Chemours' new business reporting units and impairment charges, as described in Note 13. In addition, Chemours is entitled to a domestic manufacturing deduction relating to income from certain qualifying domestic production activities pursuant to Section 199 of the Code in tax years 2014 and 2013, as well as a one-time tax benefit recognized in 2014 relating to a tax accounting method change. Consistent with the discussion in Note 2, the pre-spin effective tax rate stated herein may not be indicative of the future effective tax rate of Chemours as a result of the separation from DuPont.

Under the tax laws of various jurisdictions in which the Company operates, deductions or credits that cannot be fully utilized for tax purposes during the current year may be carried forward or back, subject to statutory limitations, to reduce taxable income or taxes payable in the future or prior years. At December 31, 2015, the tax effect of such carryforwards is $124. Of this amount, $25 expires in 2026, $90 expires in 2036, and $9 expires from 2021 to 2036, the majority of which expires in 2036. Based on analysis of the cumulative earnings from the prior three years, the Company determined it is more likely than not that these assets will be fully utilized.

At December 31, 2015, in connection with the spin-off, the Company deemed approximately $1.5 billion of unremitted earnings of subsidiaries outside the U.S. as indefinitely reinvested. No deferred tax liability has been recognized with regard to the remittance of such earnings. It is not practical to estimate the income tax liability that might be incurred if such earnings were remitted to the U.S.

Each year, Chemours and/or its subsidiaries, files income tax returns in the U.S. federal jurisdiction and various states and non-U.S. jurisdictions. These tax returns are subject to examination and possible challenge by the taxing authorities. Positions challenged by the taxing authorities may be settled or appealed by Chemours and/or DuPont in accordance with the tax matters agreement. As a result, income tax uncertainties are recognized in Chemours' Consolidated Financial Statements in accordance with accounting for income taxes, when applicable. It is reasonably possible that changes to Chemours' global unrecognized tax benefits could be significant; however, due to the uncertainty regarding the timing of completion of audits and possible outcomes, a current estimate of the range of such changes that may occur within the next twelve months cannot be made.

As previously discussed in Note 3, prior to our spin-off, Chemours was included in DuPont's consolidated income tax returns, and Chemours' income taxes for those periods are computed and reported herein under the "separate return method." Use of the separate return method may result in differences when the sum of the amounts allocated to stand-alone tax provisions are compared with amounts presented in Consolidated Financial Statements. In that event, the related deferred tax assets and liabilities could be significantly different from those presented herein for these periods. Certain tax attributes, e.g., net operating loss carryforwards, which were actually reflected in DuPont's consolidated financial statements may or may not exist at the stand-alone Chemours level. Chemours' Consolidated Financial Statements do

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not reflect any amounts due to DuPont for income tax-related matters prior to the separation as it is assumed that all such amounts due to DuPont were settled on December 31 of each year.
The following table shows the change in our unrecognized tax benefit.

	Year Ended December 31,		
	2015	2014	2013
Total unrecognized tax benefits as of January 1	$ 39	$ 26	$ 24
Gross amounts of decreases in unrecognized tax benefits as a result of adjustments to tax provisions taken during the prior period	—	(1)	(1)
Gross amounts of increases in unrecognized tax benefits as a result of tax positions taken during the current period	—	15	5
Reduction to unrecognized tax benefits as a result of a lapse of the applicable statute of limitations	(32)(1)	(1)	(2)
Total unrecognized tax benefits as of December 31	$ 7	$ 39	$ 26
Total unrecognized tax benefits, if recognized, that would impact the effective tax rate	$ —	$ 39	$ 26
Total amount of interest and penalties recognized in the Consolidated Statements of Operations	1(1)	2	2
Total amount of interest and penalties recognized in the Consolidated Balance Sheets	—	8	6

(1)
Recorded pursuant to the tax matters agreement.

The following is a rollforward of the deferred tax asset valuation allowance for the years ended December 31, 2015, 2014 and 2013.

	Year Ended December 31,		
	2015	2014	2013
Balance at beginning of period	$ 36	$ 26	$ 19
Net charges to income tax expense	—	10	7
Release of valuation allowance(1)	(36)	—	—
Balance at end of period	$ —	$ 36	$ 26

(1)
Release of valuation allowance during 2015 was primarily related to the tax attributes retained by DuPont pursuant to the tax matters agreement.

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Note 9. Earnings Per Share of Common Stock
The table below shows a reconciliation of the numerator and denominator for basic and diluted earnings per share calculations for the periods indicated.

	Year Ended December 31,		
	2015	2014	2013
Numerator:			
Net (loss) income attributable to Chemours	$ (90)	$ 400	$ 423
Denominator:			
Weighted-average number of common shares outstanding–Basic	180,993,623	180,966,833(1)	180,966,833(1)
Dilutive effect of the Company's employee compensation plans(2)	—	—	—
Weighted average number of common shares outstanding–Diluted(2)	180,993,623	180,966,833	180,966,833

(1)
For 2013 and 2014, pro forma earnings per share (EPS) was calculated based on 180,966,833 shares of Chemours common stock that were distributed to DuPont shareholders on July 1, 2015.

(2)
Diluted (loss) earnings per share is calculated using net (loss) income available to common shareholders divided by diluted weighted-average shares of common shares outstanding during each period, which includes unvested restricted shares. Diluted earnings per share considers the impact of potentially dilutive securities except in periods in which there is a loss because the inclusion of the potential common shares would have an antidilutive effect. Chemours had no equity awards outstanding prior to the spin-off.

The following average number of stock options were antidilutive and, therefore, were not included in the diluted earnings per share calculation:

	Year Ended December 31,		
	2015	2014	2013
Average number of stock options	8,358,894	—	—

Note 10. Accounts and Notes Receivable—Trade, Net

	December 31, 2015	December 31, 2014
Accounts receivable–trade, net(1)	$ 757	$ 746
VAT, GST and other taxes(2)	68	62
Leases receivable–current	13	12
Other receivables(3)	21	26
Total	$ 859	$ 846

(1)
Accounts receivable–trade is net of allowances of $4 and $4 as of December 31, 2015 and 2014, respectively. Allowances are equal to the estimated uncollectible amounts.

(2)
Value Added Tax (VAT) and Goods and Services Tax (GST).

(3)
Other receivables consist of notes receivable, advances and other deposits.

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Accounts and notes receivable are carried at amounts that approximate fair value. Bad debt expense was less than $1 for the year ended December 31, 2015, and $1 and $2 for the years ended December 31, 2014 and 2013, respectively.

Direct Financing Leases

At two of its facilities in the United States (Borderland and Morses Mill), Chemours has constructed fixed assets on land that it leases from third parties. Management has analyzed these arrangements and determined these assets represent a direct financing lease, whereby Chemours is the lessor of this equipment. Chemours has recorded leases receivable of $138 and $149 at December 31, 2015 and 2014, respectively, which represent the balance of the minimum future lease payments receivable. The current portion of leases receivable is included in accounts and notes receivable–trade, net, as shown above. The long-term portion of leases receivable is included in other assets, as shown in Note 14. Management has evaluated the realizable value of these leased assets and determined no impairment existed at December 31, 2015 or December 31, 2014. There is no estimated future residual value of these leased assets.

Note 11. Inventories

	December 31, 2015	December 31, 2014
Finished products	$ 613	$ 611
Semi-finished products	172	173
Raw materials, stores and supplies	433	521
Subtotal	1,218	1,305
Adjustment of inventories to LIFO basis	(246)	(253)
Total	$ 972	$ 1,052

Inventory values, before LIFO adjustment, are generally determined by the average cost method, which approximates current cost. Inventories are valued using the LIFO method at substantially all of the U.S. locations, which comprised $744 and $684 or 61% and 52% of inventories before the LIFO adjustments at December 31, 2015 and December 31, 2014, respectively. The remainder of inventory held in international locations and certain U.S. locations is valued using the average cost method.

Note 12. Property, Plant and Equipment

Chemours' property, plant and equipment consisted of:

	December 31, 2015	December 31, 2014
Equipment	$ 7,327	$ 7,500
Buildings	737	778
Construction in progress	804	852
Land	111	116
Mineral rights	36	36
Total	9,015	9,282
Accumulated depreciation	(5,838)	(5,974)
Net property, plant and equipment	$ 3,177	$ 3,308

(Dollars in millions, except per share)

Depreciation expense amounted to $264, $254 and $255 for the years ended December 31, 2015, 2014 and 2013, respectively. Property, plant and equipment includes gross assets under capital leases of $7 and $6 at December 31, 2015 and 2014, respectively. Interest expense capitalized as part of property, plant and equipment was $21 for the year ended December 31, 2015. Chemours did not incur interest in the years ended December 31, 2014 or 2013.

During the third quarter of 2015, in connection with the strategic evaluation of the Chemical Solutions portfolio, excluding cyanides, the Company determined that the carrying value of the RMS manufacturing facility of the Chemical Solutions segment may not be recoverable given the strategic decision to discontinue investment in the business. An impairment evaluation was performed which indicated that the carrying amount of this asset group in the United States was not recoverable when compared to the expected undiscounted cash flows. Based on management's assessment of the fair value of the asset group, the Company determined that the carrying value of that asset group exceeded the fair value and as a result, a $45 pre-tax impairment charge was recorded in the Chemical Solutions segment. The fair value of the asset group was determined using an income approach based on the present value of the estimated future cash flows. The key assumptions used included growth rates and cash flow projections, discount rate, tax rate and an estimated terminal value. The amount was recorded in employee separation and asset related charges, net in the Consolidated Statements of Operations. Refer to Note 6 for additional information.

Asset Held for Sale

In November 2015, the Company signed a definitive agreement to sell its aniline facility in Beaumont, Texas to The Dow Chemical Company (Dow) for approximately $140 in cash, subject to customary approvals and closing conditions. The transaction closed on March 1, 2016 and the Company expects to record a gain in the Chemical Solutions segment in the quarter ending March 31, 2016. As of December 31, 2015, the asset disposal group of approximately $46 was classified as held-for-sale within the caption prepaid expenses and other in the Consolidated Balance Sheets.

Note 13. Goodwill and Other Intangible Assets, Net

Goodwill: The following table summarizes changes in the carrying amount of goodwill by reportable segment:

	Titanium Technologies	Fluoroproducts	Chemical Solutions	Total
Balance as of December 31, 2013	$ 13	$ 85	$ 100	$ 198
Impairment charge	—	—	—	—
Other adjustments	—	—	—	—
Balance as of December 31, 2014	13	85	100	198
Impairment charge	—	—	(25)	(25)
Other adjustments	—	—	(7)	(7)
Balance as of December 31, 2015	$ 13	$ 85	$ 68	$ 166

Accumulated impairment losses as of December 31, 2015, 2014 and 2013 included in goodwill are $25, $0, and $0, respectively.

The Company has three segments: Titanium Technologies, Fluoroproducts and Chemical Solutions (see further discussion of reportable segments in Note 23). The Company defines its reporting units as its operating segments for Titanium Technologies; however, the Fluoroproducts and Chemical Solutions segments represent three and seven reporting units, respectively.

In the third quarter of 2015, in connection with the strategic evaluation of the Chemical Solutions portfolio, the Company realigned the reporting structure of the portfolio, specifically the level at which segment management regularly reviews operating results. The Company now identifies seven reporting units for purposes of goodwill allocation and impairment assessment. These seven reporting units are Aniline, Clean & Disinfect, Cyanides, Methylamines, Reactive Metal Solutions, Sulfur, and Vazo. Chemical Solutions remains a single operating segment. In addition, in connection with the spin-off on July 1, 2015, the Fluoroproducts segment changed its organizational structure, which changed its reporting units from Fluorochemicals and Fluoropolymers to Fluorochemicals, Industrial Resins and Diversified Technologies.

In connection with the goodwill allocation to the new reporting units in Fluoroproducts and Chemical Solutions segments during the third quarter of 2015, we evaluated the reporting units for impairment and determined that the estimated fair values of those reporting units, except for the Sulfur reporting unit, were substantially in excess of the carrying value, indicating that goodwill was not impaired. We performed the second step of the impairment test for Sulfur and determined that the implied fair value of goodwill was lower than its carrying value, resulting in a full impairment of the Sulfur reporting unit’s goodwill. As a result, Chemours recorded a $25 million pre-tax impairment charge for goodwill during the year ended December 31, 2015 in the Chemicals Solutions reportable segment.

The Company also performed its annual impairment tests for Titanium Technologies and Fluorochemicals goodwill and determined that no goodwill impairment existed as of December 31, 2015, and the fair value of each reporting unit substantially exceeded its carrying value.

Chemours estimates the fair value of its reporting units using the income approach based on the present value of estimated future cash flows, discounted at a risk-adjusted market rate, including a growth rate to calculate the terminal value. The Company’s forecasted future cash flows, which incorporate anticipated future revenue growth and related expenses to support the growth, were used to calculate fair value. The factors considered in determining the cash flows include: 1) macroeconomic conditions; 2) industry and market considerations; 3) costs of raw materials, labor or other costs having a negative effect on earnings and cash flows; 4) overall financial performance; and 5) other relevant entity-specific events. The discount rate used represents the weighted average cost of capital for the reporting units considering the risks and uncertainty inherent in the cash flows of the reporting units and in the internally developed forecasts. The implied fair value of the goodwill in step two was determined by allocating the fair value of the reporting units to all of the assets and liabilities as if the reporting units had been acquired in a business combination and its fair value was the purchase price paid to be acquired. The use of these unobservable inputs resulted in the fair value estimate being classified as a Level 3 asset measured at fair value on a nonrecurring basis subsequent to its original recognition.

The determination of whether or not goodwill is impaired involves a significant level of judgment in the assumptions underlying the approaches used to determine the estimated fair value of our reporting units. Chemours believes that assumptions and rates used in the impairment assessment are reasonable. However, these assumptions are judgmental and variations in any assumptions could result in materially different calculations of fair value. The Company will continue to evaluate goodwill on an annual basis as of October 1, and whenever events or changes in circumstances, such as significant adverse changes in operating results, market conditions or changes in management’s business strategy, indicate that there may be a probable indicator of impairment. It is possible that the assumptions used by management related to the evaluation may change or that actual results may vary significantly from management’s estimates.

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Other Intangible Assets, Net: The following table summarizes the gross carrying amounts and accumulated amortization of other intangible assets by major class:

	December 31, 2015			December 31, 2014		
	Gross	Accumulated Amortization	Net	Gross	Accumulated Amortization	Net
Customer lists	$ 13	$ (10)	$ 3	$ 13	$ (10)	$ 3
Patents	19	(17)	2	19	(15)	4
Purchased trademarks	5	(2)	3	5	(1)	4
Purchased and licensed technology	8	(6)	2	5	(5)	—
Total	$ 45	$ (35)	$ 10	$ 42	$ (31)	$ 11

The aggregate pre-tax amortization expense for definite-lived intangible assets was $3, $3 and $6 for the years ended December 31, 2015, 2014 and 2013, respectively. The estimated aggregate pretax amortization expense for 2016, 2017, 2018, 2019 and 2020 is $3, $2, $1, $1 and $1, respectively. Definite-lived intangible assets are amortized over their estimated useful lives, generally for periods ranging from 5 to 20 years. The reasonableness of the useful lives of these assets is continually evaluated. There are no indefinite-lived intangible assets.

Note 14. Other Assets

	December 31, 2015	December 31, 2014
Leases receivable–non-current(1)	$ 125	$ 137
Capitalized repair and maintenance costs	149	185
Pension assets(2)	138	—
Advances and deposits	11	17
Deferred income taxes	47	10
Miscellaneous(3)	38	28
Total	$ 508	$ 377

(1)
Leases receivable includes direct financing leases of property at two locations. See Note 10 for further information.

(2)
Pension assets represent pension plans commencing in 2015. See Note 21 for further information.

(3)
Miscellaneous includes prepaid expenses for royalty fees, vendor supply agreements and taxes other than income taxes, deferred financing fees related to the Revolving Credit Facility of $19 at December 31, 2015, as well as capitalized expenses for the preparation of future landfill cells at Titanium Technologies' New Johnsonville plant site.

Note 15. Accounts Payable

	December 31, 2015	December 31, 2014

Trade payables	$ 945	$ 1,004
VAT and other payables	28	42
Total	$ 973	$ 1,046

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Note 16. Other Accrued Liabilities

	December 31, 2015	December 31, 2014
Compensation and other employee-related costs	$ 109	$ 109
Employee separation costs(1)	76	12
Accrued litigation(2)	11	7
Environmental remediation(2)	68	69
Income taxes	32	—
Customer rebates	53	59
Deferred revenue	20	28
Accrued interest	21	—
Miscellaneous(3)	64	68
Total	$ 454	$ 352

(1)
See Note 6 for further information.

(2)
See Note 19 for further discussion of environmental remediation and accrued litigation.

(3)
Miscellaneous primarily includes accrued utility expenses, property taxes, an accrued indemnification liability and other miscellaneous expenses.

Note 17. Other Liabilities

	December 31, 2015	December 31, 2014
Environmental remediation(1)	$ 223	$ 226
Employee-related costs(2)	108	32
Employee separation costs(3)	23	—
Accrued litigation(1)	58	52
Asset retirement obligations(1)	41	43
Deferred revenue	11	13
Miscellaneous(4)	89	98
Total	$ 553	$ 464

(1)
See Note 19 for further details on environmental remediation, asset retirement obligations and accrued litigation.

(2)
See Note 21 for further details on long-term employee benefits.

(3)
See Note 6 for further information.

(4)
Miscellaneous primarily includes an accrued indemnification liability.

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Note 18. Debt
In conjunction with Chemours' separation from DuPont, Chemours entered into approximately $3,995 of financing transactions on May 12, 2015. Long-term debt, net of an unamortized discount on the Term Loan Facility of $7, was comprised of the following at December 31, 2015:

	December 31, 2015
Long-term debt:	
Senior secured term loan, net of issue discount	$ 1,493
Senior unsecured notes:	
6.625%, due May 2023	1,350
7.00%, due May 2025	750
6.125%, due May 2023 (€360)	395
Other	26
Total	4,014
Less: Unamortized debt issuance costs	60
Less: Short-term borrowings and current maturities	39
Total long-term debt	$ 3,915

Senior Secured Credit Facilities
On May 12, 2015, Chemours entered into a credit agreement that provides for a seven-year senior secured term loan (the Term Loan Facility) in a principal amount of $1,500 repayable in equal quarterly installments at a rate of 1% of the original principal amount per year, with the balance payable on the final maturity date. The Term Loan Facility was issued with a $7 original issue discount and bears variable interest rate subject to a floor of 3.75%. The proceeds from the Term Loan Facility were used to fund a portion of the distribution to DuPont, along with related fees and expenses.
The credit agreement also provided for a five-year senior secured revolving credit facility (the Revolving Credit Facility), which has been reduced to $750 as part of the amendment completed on February 19, 2016. The proceeds of any loans made under the Revolving Credit Facility can be used for capital expenditures, acquisitions, working capital needs and other general corporate purposes. We had no borrowings outstanding under our Revolving Credit Facility at December 31, 2015, and we had $129 in letters of credit issued and outstanding under this facility. The Revolving Credit Facility bears variable interest of a range based on our total net leverage ratio between (a) 0.50% and 1.25% for base rate loans and (b) 1.50% and 2.25% for LIBOR loans. The applicable margin was 1.25% for base rate loans and 2.25% for LIBOR loans as of December 31, 2015. In addition, we are required to pay a commitment fee on the average daily unused amount of the Revolving Credit Facility at a rate based on our total net leverage ratio, between 0.20% and 0.35%. Commitment fees are currently assessed at a rate of 0.35%.
During the third quarter of 2015, Chemours and its Revolving Credit Facility lenders entered into an amendment to the Revolving Credit Facility that strengthened Chemours' financial position by providing enhanced liquidity to implement the Transformation Plan. The amendment modified the consolidated EBITDA definition in the covenant calculation to include pro forma benefits of announced cost reduction initiatives.
During the first quarter of 2016, Chemours and its Revolving Credit Facility lenders entered into a second amendment to the Revolving Credit Facility that (a) replaced the total net leverage ratio financial covenant with senior secured net leverage ratio; (b) reduced the minimum required levels of interest expense coverage ratio covenant; (c) increased the limits and extended the time horizon for inclusion of pro forma

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Explanation of Responses:

benefits of announced cost reduction initiatives into Consolidated EBITDA definition for the purposes of calculating financial maintenance covenants; and (d) reduced the revolver availability from $1,000 to $750. These changes provide further flexibility to Chemours to sustain the prolonged downturn in the business and enhance its liquidity to implement the Transformation Plan.

The credit agreement contains financial covenants which, solely with respect to the Revolving Credit Facility as amended, require Chemours not to exceed a maximum senior secured net leverage ratio of 3.50 to 1.00 and to maintain a minimum interest coverage ratio of 1.75 to 1.00 until December 31, 2016. In addition, the credit agreement contains customary affirmative and negative covenants that, among other things, limit or restrict Chemours and its subsidiaries' ability, subject to certain exceptions, to incur liens, merge, consolidate or sell, transfer or lease assets, make investments, pay dividends, transact with subsidiaries and incur indebtedness. The credit agreement also contains customary representations and warranties and events of default. Chemours was in compliance with its debt covenants as of December 31, 2015.

Chemours' obligations under the senior secured credit facilities are guaranteed on a senior secured basis by all of its material domestic subsidiaries, subject to certain agreed upon exceptions. The obligations under the senior secured credit facilities are also, subject to certain agreed upon exceptions, secured by a first priority lien on substantially all of Chemours and its material wholly-owned domestic subsidiaries' assets, including 100% of the stock of domestic subsidiaries and 65% of the stock of certain foreign subsidiaries.

Senior Unsecured Notes

On May 12, 2015, Chemours issued senior unsecured notes (the Notes) with an aggregate principal of approximately $2,503 in a private placement subject to a registration rights arrangement.

All of the notes, including the 2023 notes with an aggregate principal amount of $1,350, the 2025 notes with an aggregate principal amount of $750 and the 2023 Euro notes with an aggregate principal amount of €360 (or $395 as of December 31, 2015), require payment of principal at maturity and interest semi-annually in cash in arrears on May 15 and November 15 of each year.

The proceeds from the Notes were used to fund the cash and in-kind distributions to DuPont and to pay related fees and expenses. The in-kind distribution to DuPont of $507 aggregate principal amount of Chemours 2025 Notes were exchanged by DuPont with third parties for certain DuPont notes.

Chemours is required to register the Notes with the Securities and Exchange Commission within 465 days after the original issue date. If Chemours fails to do so, it would be required to pay additional interest at a rate of 0.25% for the first 90 days following a registration default and additional 0.25% per annum with respect to each subsequent 90-day period, up to a maximum rate of 0.50%, until the registration requirements are met. Application is also expected to be made to the Irish Stock Exchange for the approval of listing particulars in relation to the Euro notes prior to the first anniversary of the issue date of the Euro notes.

Each series of Notes is or will be fully and unconditionally guaranteed, jointly and severally, by Chemours' existing and future domestic subsidiaries that guarantee (the Guarantors) the Senior Secured Credit Facilities or that guarantee other indebtedness of Chemours or any guarantor in an aggregate principal amount in excess of $75 million (the Guarantees). The Notes are unsecured and unsubordinated obligations of Chemours. The Guarantees are unsecured and unsubordinated obligations of the Guarantors. The Notes rank equally in right of payment to all of Chemours' existing and future unsecured unsubordinated debt and senior in right of payment to all of Chemours' existing and future debt that is by its terms expressly subordinated in right of payment to the Notes. The Notes are subordinated to indebtedness under the Senior Secured Credit Facilities as well as any future secured debt to the extent of the value of the assets securing such debt. Chemours' is obligated to offer to purchase the Notes at a price

of (a) 101% of their principal amount, together with accrued and unpaid interest, if any, to the date of purchase, upon the occurrence of certain change of control events and (b) 100% of their principal amount, together with accrued and unpaid interest, if any, to the date of purchase, with the proceeds from certain asset dispositions. These restrictions and prohibitions are subject to certain qualifications and exceptions set forth in the Indenture, including without limitation, reinvestment rights with respect to the proceeds of asset dispositions. Chemours is permitted to redeem some or all of the 2023 Notes and Euro Notes by paying a “make-whole” premium prior to May 15, 2018. Chemours also may redeem some or all of the 2023 Notes and Euro Notes on or after May 15, 2018 and thereafter at specified redemption prices. Chemours also may redeem some or all of the 2025 Notes on or after May 15, 2020 at specified redemption prices.

Maturities

There are no debt maturities in each of the next seven years, except, in accordance with the credit agreement, Chemours has required quarterly principal payments related to the Term Loan Facility equivalent to 1.00% per annum beginning September 2015 through March 2022, with the balance due at maturity. Term Loan principal maturities over the next five years are $15 in each year from 2016 to 2020. Debt maturities related to the Term Loan Facility and the Notes in 2021 and beyond will be $3,913.

Debt Fair Value

The fair values of the Term Loan Facility, the 2023 notes, the 2025 notes and the 2023 Euro notes at December 31, 2015 were approximately $1,348, $946, $513 and $277, respectively. The estimated fair values of the Term Loan Facility and the Notes are based on quotes received from third party brokers, and are classified as Level 2 in the fair value hierarchy.

Note 19. Commitments and Contingent Liabilities

(a)

Guarantees

Obligations for Equity Affiliates and Others

Chemours has directly guaranteed various obligations of customers, suppliers and other third parties. At December 31, 2015 and December 31, 2014, Chemours had directly guaranteed $8 and $41 of such obligations, respectively. These represent the maximum potential amount of future (undiscounted) payments that Chemours could be required to make under the guarantees in the event of default by the guaranteed parties. No amounts were accrued at December 31, 2015 and 2014.

Chemours assesses the payment and performance risk by assigning default rates based on the duration of the guarantees. These default rates are assigned based on the external credit rating of the counterparty or through internal credit analysis and historical default history for counterparties that do not have published credit ratings. For counterparties without an external rating or available credit history, a cumulative average default rate is used.

Operating Leases

Chemours uses various leased facilities and equipment in its operations. The terms for these leased assets vary depending on the lease agreement. Future minimum lease payments (including residual value guarantee amounts) under non-cancelable operating leases are $84, $73, $62, $53 and $36 for the years ended December 31, 2016, 2017, 2018, 2019 and 2020, respectively, and $38 for the years thereafter. Net rental expense under operating leases was $83, $75 and $62 during the years ended December 31, 2015, 2014 and 2013, respectively.

(b)

Asset Retirement Obligations

Chemours has recorded asset retirement obligations primarily associated with closure, reclamation and removal costs for mining operations related to the production of TiO2 in the Titanium Technologies

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segment. Chemours' asset retirement obligation liabilities were $42 and $43 at December 31, 2015 and 2014, respectively. A summary of the changes in asset retirement obligations is as follows:

	Year Ended December 31,	
	2015	2014
Beginning balance	$ 43	$ 42
Accretion expense	1	2
Additional liabilities incurred	—	1
Changes in estimated cash flows	—	—
Settlements/payments	(2)	(2)
Ending balance	$ 42	$ 43
Current portion	$ 1	$ —
Non-current portion	$ 41	$ 43

(c)
Litigation

In addition to the matters discussed below, Chemours, by virtue of its status as a subsidiary of DuPont prior to the Distribution, is subject to or required under the separation-related agreements executed prior to the Distribution to indemnify DuPont against various pending legal proceedings arising out of the normal course of the Chemours business including product liability, intellectual property, commercial, environmental and antitrust lawsuits. It is not possible to predict the outcome of these various proceedings. Except for the PFOA litigation for which a separate assessment is provided in this Note, while management believes it is reasonably possible that Chemours could incur losses in excess of the amounts accrued, if any, for the aforementioned proceedings, it does not believe any such loss would have a material impact on Chemours' consolidated financial position, results of operations or liquidity. With respect to the litigation matters discussed below, management's estimate of the probability of loss in excess of the amounts accrued, if any, is addressed individually for each matter. In the event that DuPont seeks indemnification for adverse trial rulings or outcomes for any such matter, these indemnification claims could materially adversely affect Chemours' financial condition. Disputes between Chemours and DuPont may also arise with respect to indemnification matters, including disputes based on matters of law or contract interpretation. If and to the extent these disputes arise, they could materially adversely affect Chemours.

Asbestos

At December 31, 2015, there were approximately 2,212 lawsuits pending against DuPont alleging personal injury from exposure to asbestos. These cases are pending in state and federal court in numerous jurisdictions in the United States and are individually set for trial. Most of the actions were brought by contractors who worked at sites between 1950 and the 1990s. A small number of cases involve similar allegations by DuPont employees. A limited number of the cases were brought by household members of contractors or DuPont employees. Finally, certain lawsuits allege personal injury as a result of exposure to DuPont products. Chemours had an accrual of $42 and $38 related to this matter at December 31, 2015 and 2014, respectively. Additionally, Chemours had an accrual for $3 for asbestos cases outside the U.S. at December 31, 2015. Chemours reviews this estimate and related assumptions quarterly and annually updates the results of an approximate 20-year projection. Management believes that the likelihood is remote that Chemours would incur losses in excess of the amounts accrued in connection with this matter.

Benzene

In the separation, DuPont assigned its Benzene docket to Chemours. There are 29 pending cases against DuPont alleging benzene-related illnesses. These cases consist of premises matters involving contractors and deceased former employees who claim exposure to benzene while working at DuPont sites primarily in the 1960s through the 1980s, and product liability claims based on alleged exposure to benzene found in trace amounts in aromatic hydrocarbon solvents used to manufacture DuPont products, such as paints, thinners and reducers.

A benzene case (Hood v. DuPont) was tried to a verdict in Texas state court on October 20, 2015. Plaintiffs alleged that Mr. Hood's Acute Myelogenous Leukemia (AML) was the result of 24 years of occupational exposure to trace benzene found in DuPont automotive paint products and that DuPont negligently failed to warn him that its paints, reducers and thinners contained benzene that could cause cancer or leukemia. The jury found in the Plaintiffs favor awarding $6.9 in compensatory damages and $1.5 in punitive damages. Through DuPont, Chemours will appeal the verdict based upon substantial errors made at the trial court. Management believes that a loss is reasonably possible related to these matters; however, given the evaluation of each Benzene matter is highly fact driven and impacted by disease, exposure and other factors, a range of such losses cannot be reasonably estimated at this time.

PFOA

Prior to the fourth quarter of 2014, Chemours used PFOA (collectively, perfluorooctanoic acids and its salts, including the ammonium salt) as a processing aid to manufacture some fluoropolymer resins at various sites around the world including its Washington Works plant in West Virginia. Chemours had accruals of $20 and $14 related to the PFOA matters discussed below at December 31, 2015 and 2014, respectively.

The accruals include charges related to DuPont's obligations under agreements with the U.S. Environmental Protection Agency (EPA) and voluntary commitments to the New Jersey Department of Environmental Protection. These obligations and voluntary commitments include surveying, sampling and testing drinking water in and around certain company sites and offering treatment or an alternative supply of drinking water if tests indicate the presence of PFOA in drinking water at or greater than the national Provisional Health Advisory.

Drinking Water Actions

In August 2001, a class action, captioned Leach v. DuPont, was filed in West Virginia state court alleging that residents living near the Washington Works facility had suffered, or may suffer, deleterious health effects from exposure to PFOA in drinking water.

DuPont and attorneys for the class reached a settlement in 2004 that binds about 80,000 residents. In 2005, DuPont paid the plaintiffs' attorneys' fees and expenses of $23 and made a payment of $70, which class counsel designated to fund a community health project. Chemours, through DuPont, funded a series of health studies which were completed in October 2012 by an independent science panel of experts (the C8 Science Panel). The studies were conducted in communities exposed to PFOA to evaluate available scientific evidence on whether any probable link exists, as defined in the settlement agreement, between exposure to PFOA and human disease. The C8 Science Panel found probable links, as defined in the settlement agreement, between exposure to PFOA and pregnancy-induced hypertension, including preeclampsia, kidney cancer, testicular cancer, thyroid disease, ulcerative colitis and diagnosed high cholesterol.

In May 2013, a panel of three independent medical doctors released its initial recommendations for screening and diagnostic testing of eligible class members. In September 2014, the medical panel recommended follow-up screening and diagnostic testing three years after initial testing, based on individual results. The medical panel has not communicated its anticipated schedule for completion of its protocol. Through DuPont, Chemours is obligated to fund up to $235 for a medical monitoring program for eligible

class members and, in addition, administrative cost associated with the program, including class counsel fees. In January 2012, Chemours, through DuPont, put $1 in an escrow account to fund medical monitoring as required by the settlement agreement. The court-appointed Director of Medical Monitoring has established the program to implement the medical panel's recommendations and the registration process, as well as eligibility screening, is ongoing. Diagnostic screening and testing has begun and associated payments to service providers are being disbursed from the escrow account. As of December 31, 2015, less than $1 has been disbursed from the escrow account related to medical monitoring.

In addition, under the settlement agreement, DuPont must continue to provide water treatment designed to reduce the level of PFOA in water to six area water districts, including the Little Hocking Water Association (LHWA) and private well users.

Class members may pursue personal injury claims against DuPont only for those human diseases for which the C8 Science Panel determined a probable link exists. At December 31, 2015, there were approximately 3,500 lawsuits filed in various federal and state courts in Ohio and West Virginia. These lawsuits are consolidated in multi-district litigation in Ohio federal court (MDL). Based on the information currently available to the Company, the majority of the lawsuits allege personal injury claims associated with high cholesterol and thyroid disease from exposure to PFOA in drinking water. There are 37 lawsuits alleging wrongful death. In the third quarter of 2014, six plaintiffs from the MDL were selected for individual trial. The first case (Bartlett v. DuPont) was tried to a verdict on October 7, 2015. The Plaintiff alleged that PFOA in drinking water caused her kidney cancer with causes of action for negligence and negligent infliction of emotional distress. The jury found in favor of the Plaintiff awarding $1.1 in damages for negligence and $0.5 for emotional distress. The jury found that DuPont's conduct did not warrant punitive damages. DuPont Management believes that rulings made before and during the trial resulted in several significant and meritorious grounds for appeal, and an appeal to the Sixth Circuit will be filed. The second case (Wolf v. DuPont) set for trial in March 2016, has been settled for an amount well below the incremental cost of preparing for trial. There are three more trials scheduled in 2016, with the next trial starting in May 2016.

In January 2016, the court announced that starting in April 2017, 40 individual plaintiff trials will be scheduled per year. This multi-year plan pertains only to the cases claiming cancer, which represents approximately 7% of the total number of cases in the MDL. The remaining cases, comprising approximately 93% of the docket, will remain inactive. Chemours, through DuPont, denies the allegations in these lawsuits and is defending itself vigorously. Except for the Wolf v. DuPont case, no claims have been settled or resolved during the periods presented.

Additional Actions

In addition to general claims of PFOA contamination of drinking water, LHWA brought an action claiming "imminent and substantial endangerment to health and or the environment" under the Resource Conservation and Recovery Act (RCRA). The parties reached a confidential settlement in late November 2015. Final papers were completed in February 2016.

PFOA Summary

While it is probable that the Company will incur costs related to the medical monitoring program discussed above, such costs cannot be reasonably estimated due to uncertainties surrounding the level of participation by eligible class members and the scope of testing. Chemours believes that it is reasonably possible that it could incur losses related to the MDL in Ohio federal court discussed above but such losses cannot be estimated at this time due to the uniqueness of the individual MDL plaintiff's claims and Chemours' defenses to those claims, both as to potential liability and damages on an individual claim basis, and numerous unsettled legal issues, among other factors. The trials and appeals of these matters will occur over the course of many years. Significant unfavorable outcomes in a number of cases in the MDL could have a material adverse effect on Chemours' consolidated financial position, results of operations or liquidity.

(d)
Environmental

Chemours, by virtue of its status as a subsidiary of DuPont prior to the Distribution, is subject to contingencies pursuant to environmental laws and regulations that in the future may require further action to correct the effects on the environment of prior disposal practices or releases of chemical substances by Chemours or other parties. Chemours accrues for environmental remediation activities consistent with the policy set forth in Note 3. Much of this liability results from the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA, often referred to as Superfund), RCRA and similar state and global laws. These laws require Chemours to undertake certain investigative, remediation and restoration activities at sites where Chemours conducts or once conducted operations or at sites where Chemours-generated waste was disposed. The accrual also includes estimated costs related to a number of sites identified for which it is probable that environmental remediation will be required, but which are not currently the subject of enforcement activities.

Remediation activities vary substantially in duration and cost from site to site. These activities, and their associated costs, depend on the mix of unique site characteristics, evolving remediation technologies, diverse regulatory agencies and enforcement policies, as well as the presence or absence of other potentially responsible parties. At December 31, 2015, the Consolidated Balance Sheets included a liability of $290, relating to these matters which, in management's opinion, is appropriate based on existing facts and circumstances. The average time frame, over which the accrued or presently unrecognized amounts may be paid, based on past history, is estimated to be 15 to 20 years. Therefore, considerable uncertainty exists with respect to environmental remediation costs and, under adverse changes in circumstances, the potential liability may range up to approximately $611 above the amount accrued at December 31, 2015. Except for Pompton Lakes, which is discussed further below, based on existing facts and circumstances, management does not believe that any loss, in excess of amounts accrued, related to remediation activities at any individual site will have a material impact on the financial position, liquidity or results of operations of Chemours.

Pompton Lakes

The environmental remediation accrual at December 31, 2015 includes $87 related to activities at Chemours' site in Pompton Lakes, New Jersey. Management believes that it is reasonably possible that potential liability for remediation activities at this site could range up to $119 including previously accrued amounts. This could have a material impact on the liquidity of Chemours in the period recognized. During the twentieth century, blasting caps, fuses and related materials were manufactured at Pompton Lakes. Operating activities at the site were ceased in the mid-1990s. Primary contaminants in the soil and sediments are lead and mercury. Ground water contaminants include volatile organic compounds.

Under the authority of the EPA and the New Jersey Department of Environmental Protection, remedial actions at the site are focused on investigating and cleaning up the area. Ground water monitoring at the site is ongoing and Chemours has installed and continues to install vapor mitigation systems at residences within the ground water plume. In addition, Chemours is further assessing ground water conditions. In June 2015, the EPA issued a modification to the site's RCRA permit that requires Chemours to dredge mercury contamination from a 36 acre area of the lake and remove sediment from two other areas of the lake near the shoreline. Chemours expects to spend about $50 over the next two to three years in connection with remediation activities commencing in mid-2016 at Pompton Lakes, including activities related to the EPA's proposed plan. These amounts are included in the remediation accrual at December 31, 2015.

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Note 20. Financial Instruments
Derivative Instruments
Objectives and Strategies for Holding Derivative Instruments
In the ordinary course of business, Chemours enters into contractual arrangements (derivatives) to reduce its exposure to foreign currency risks. The Company has established a derivative program to be utilized for financial risk management. This program reflects varying levels of exposure coverage and time horizons based on an assessment of risk. The derivative program has procedures consistent with Chemours' financial risk management policies and guidelines.
Foreign Currency Forward Contracts
Chemours uses foreign currency forward contracts to reduce its net exposure, by currency, related to non-functional currency-denominated monetary assets and liabilities of its operations so that exchange gains and losses resulting from exchange rate changes are minimized. These derivative instruments are not part of a cash flow hedge program or a fair value hedge program, and have not been designated as a hedge. Although all of the forward contracts are subject to an enforceable master netting agreement, Chemours has elected to present the derivative assets and liabilities on a gross basis in the Consolidated Balance Sheets. No collateral has been required for these contracts. All gains and losses resulting from the revaluation of the derivative assets and liabilities are recognized in other income, net in the Consolidated Statements of Operations during the period in which they occurred.
At December 31, 2015, there were 41 forward exchange currency contracts outstanding with an aggregate gross notional value of $288. Chemours recognized a net gain of $42 for the year ended December 31, 2015, which is recorded in other income, net in the Consolidated Statements of Operations. There were no forward contracts outstanding in 2014 or 2013.
Net Investment Hedge—Foreign Currency Borrowings
Beginning on July 1, 2015, Chemours designated its €360 million Euro notes (see Note 18) as a hedge of its net investments in certain of its international subsidiaries that use the Euro as functional currency in order to reduce the volatility in stockholders' equity caused by the changes in foreign currency exchange rates of the Euro with respect to the U.S. dollar. Chemours used the spot method to measure the effectiveness of the net investment hedge. Under this method, for each reporting period, the change in the carrying value of the Euro notes due to remeasurement of the effective portion is reported in accumulated other comprehensive loss in the Consolidated Balance Sheet and the remaining change in the carrying value of the ineffective portion, if any, is recognized in other income, net in the Consolidated Statements of Operations. Chemours evaluates the effectiveness of its net investment hedge quarterly at the beginning of each quarter. For the year ended December 31, 2015, Chemours did not record any ineffectiveness and recognized gain of $8 on its net investment hedges within accumulated other comprehensive income. There were no net investment hedges in 2014 or 2013.
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Fair Value of Derivative Instruments
The table below presents the fair value of Chemours' derivative assets and liabilities within the fair value hierarchy, as described in Note 3 to the Consolidated Financial Statements.

		Fair Value Using Level 2 Inputs	
	Balance Sheet Location	December 31, 2015	December 31, 2014
Asset derivatives:			
Foreign currency forward contracts	Accounts and notes receivable–trade, net	$ 2	$ —
Total asset derivatives		$ 2	$ —
Liability derivatives:			
Foreign currency forward contracts	Other accrued liabilities	$ 2	$ —
Total liability derivatives		$ 2	$ —

We classify our foreign currency forward contracts in Level 2 as the valuation inputs are based on quoted prices and market observable data of similar instruments. For derivative assets and liabilities, standard industry models are used to calculate the fair value of the various financial instruments based on significant observable market inputs, such as foreign exchange rates and implied volatilities obtained from various market sources. Market inputs are obtained from well-established and recognized vendors of market data and subjected to tolerance and quality checks.

Note 21. Long-Term Employee Benefits

Plans Covering Employees in the U.S.

Chemours sponsors a variety of employee benefit plans which cover substantially all U.S. employees. Prior to July 1, 2015, U.S. employees generally participated in DuPont's primary pension plan, the Retirement Savings Plan and certain other long-term employee benefit plans. In conjunction with the separation on July 1, 2015, Chemours employees stopped participating in DuPont plans and became participants in newly established Chemours plans. DuPont retained all liabilities related to its U.S. plans post-separation.

On July 1, 2015, Chemours established a defined contribution plan, similar in design to the DuPont Retirement Savings plan, which covered all eligible U.S. employees. The purpose of the Plan is to encourage employees to save for their future retirement needs. The plan is a tax qualified contributory profit sharing plan, with cash or deferred arrangement, and any eligible employee of Chemours may participate. Chemours matches 100% of the first 6% of the employee's contribution election. Chemours may also provide an additional discretionary retirement savings contribution to eligible employees' eligible compensation. The amount of this contribution, if any, is at the sole discretion of the Company. The plan's matching contributions vest immediately upon contribution. The discretionary contribution vests for employees with at least three years of service.

In lieu of a defined benefit plan like DuPont's primary pension plan, Chemours provides an enhanced 401(k) contribution for employees who previously participated in DuPont's pension plan. The enhanced benefits consist of an additional contribution of 1% to 7% of the employee's eligible compensation depending on the employee's length of service with DuPont at the time of separation. The plan will continue for a period up to 2019, subject to early termination.

Plans Covering Employees Outside the United States

Pension coverage for employees of Chemours non-U.S. subsidiaries is provided, to the extent deemed appropriate, through separate plans established after separation and comparable to the DuPont plans in those countries. Obligations under such plans are funded by depositing funds with trustees, covered by insurance contracts or are unfunded.

(Dollars in millions, except per share)

Participation in the Plans

Prior to July 1, 2015, Chemours participated in DuPont's U.S. and non-U.S. plans, except for the plans in the Netherlands and Taiwan, as though they were participants in a multi-employer plan with the other businesses of DuPont. The following table presents the multi-employer pension expense allocated by DuPont to Chemours for the plans in which Chemours participated prior to the separation. The allocation of cost was based on active employee headcount and is included in the Consolidated Statement of Operations. These amounts do not represent cash payments to DuPont or DuPont's plans.

Plan Name	EIN/Pension Number	Year Ended December 31, 2015	2014	2013
DuPont Pension and Retirement Plan (U.S.)	51-0014090/001	$ 48	$ 51	$ 126
All other U.S. and non-U.S. Plans		5	(1)	38

Single and Multiple Employer Plans

Beginning in the first quarter of 2015, Chemours has accounted for the plans covering its employees in the Netherlands and Taiwan as a multiple employer plan and a single employer plan, respectively. In the third quarter of 2015, in connection with the separation, additional plans in Germany, Belgium, Japan, Korea, Mexico and Switzerland were established. As of December 31, 2015, these plans were all accounted for as single employer plans. The net periodic benefit costs for the pension and amounts recognized in other comprehensive income for the year ended December 31, 2015 were as follows:

	Year Ended December 31, 2015
Net periodic pension cost (income):	
Service cost	$ 16
Interest cost	19
Expected return on plan assets	(83)
Amortization of loss	16
Amortization of prior service cost	4
Net periodic pension income	$ (28)
Changes in plan assets and benefit obligations recognized in other comprehensive income:	
Net loss	$ 11
Amortization of loss	(16)
Prior service credit	(24)
Amortization of prior service cost	(4)
Effect of foreign exchange rates	(33)
Total benefit recognized in other comprehensive income	$ (66)
Total recognized in net periodic pension income and other comprehensive income	$ (94)

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The pre-tax amounts recognized in accumulated other comprehensive loss are summarized below:

	December 31, 2015
Net loss	$ 363
Prior service credit	(16)
Total amount recognized in accumulated other comprehensive loss	$ 347

The estimated pre-tax net loss and prior service cost for the defined benefit pension plans that will be amortized from accumulated other comprehensive (loss) income into net periodic benefit cost during 2016 are $20 and $2, respectively.

Summarized information on the Company's pension benefit plans is as follows:

	Year Ended December 31, 2015
Change in benefit obligation	
Benefit obligation at beginning of year	$ —
Assumption and establishment of pension plans	1,332
Service cost	16
Interest cost	19
Plan participants' contributions	2
Actuarial loss (gain)	(76)
Benefits paid	(39)
Plan Amendments	(24)
Settlements & Transfers	(6)
Currency translation	(118)
Benefit obligation at end of year	1,106
Change in plan assets	
Fair value of plan assets at beginning of year	—
Assumption and establishment of pension plans	1,297
Actual loss on plan assets	(7)
Employer contributions	16
Plan participants' contributions	2
Benefits paid	(39)
Settlements & Transfers	(6)
Currency translation	(123)
Fair value of plan assets at end of year	1,140
Funded status at end of year	$ 34

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The net amounts recognized in the Consolidated Balance Sheet as of December 31, 2015 consist of:

Noncurrent assets	$ 138
Current liabilities	(2)
Noncurrent liabilities	(102)
Net amount recognized	$ 34

The accumulated benefit obligation for all pension plans was $1,030 as of December 31, 2015.
The following information relates to pension plans with projected and accumulated benefit obligations in excess of the fair value of plan assets at December 31, 2015:

Information for pension plans with projected benefit obligation in excess of plan assets	December 31, 2015
Projected benefit obligation	$ 194
Accumulated benefit obligation	158
Fair value of plan assets	93

Information for pension plans with accumulated benefit obligations in excess of plan assets	December 31, 2015
Projected benefit obligation	$ 190
Accumulated benefit obligation	157
Fair value of plan assets	90

Assumptions
The Company generally utilizes discount rates that are developed by matching the expected cash flows of each benefit plan to various yield curves constructed from a portfolio of high quality, fixed income instruments provided by the plan’s actuary as of the measurement date. The expected rate of return on assets reflects economic assumptions applicable to each country.
The following assumptions have been used to determine the benefit obligations and net benefit cost:

Weighted average assumptions used to determine benefit obligations and benefit cost	Pension Benefit Obligation at December 31, 2015	Pension Income for the year ended December 31, 2015
Discount rate	2.4%	1.7%
Rate of compensation increase(1)	2.6%	3.9%
Expected return on plan assets	N/A	7.2%

(1)
The rate of compensation increase represents the single annual effective salary increase that an average plan participant would receive during the participant’s entire career at Chemours.

Plan Assets
Each pension plan’s assets are invested through a master trust fund. The strategic asset allocation for the trust fund is selected by management, reflecting the results of comprehensive asset and liability modeling. Chemours establishes strategic asset allocation percentage targets and appropriate benchmarks for significant asset classes with the aim of

achieving a prudent balance between return and risk. Strategic asset allocations in countries are selected in accordance with the laws and practices of those countries.

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The weighted average target allocation for Chemours' pension plan assets is summarized as follows:

	December 31, 2015
Cash and cash equivalents	2.7%
U.S. and non-U.S. equity securities	42.3%
Fixed income securities	55.0%
Total	100.0%

Fixed income securities include corporate issued, government issued and asset backed securities. Corporate debt investments encompass a range of credit risk and industry diversification.
Fair value calculations may not be indicative of net realizable value or reflective of future fair values. Furthermore, although Chemours believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.
The table below presents the fair values of Chemours' pension assets by level within the fair value hierarchy, as described in Note 3, as of December 31, 2015.

	Total	Level 1	Level 2
Asset Category:			
Debt–government issued	$ 465	$ 7	$ 458
Debt–corporate issued	148	60	88
Debt–asset backed	33	—	33
U.S. and non-U.S. equities	460	37	423
Derivatives–asset position	4	—	4
Derivatives–liability position	(16)	—	(16)
Cash and cash equivalents	40	40	—
Other	6	4	2
	1,140	$ 148	$ 992
Pension trust payables(1)	(3)		
Total	$ 1,137		

(1)
Payables are primarily for investment securities purchased.

For pension plan assets classified as Level 1, total fair value is either the price of the most recent trade at the time of the market close or the official close price, as defined by the exchange on which the asset is most actively traded on the last trading day of the period, multiplied by the number of units held without consideration of transaction costs.
For pension benefit plan assets classified as Level 2, where the security is frequently traded in less active markets, fair value is based on the closing price at the end of the period; where the security is less frequently traded, fair value is based on the price a dealer would pay for the security or similar securities, adjusted for any terms specific to that asset or liability. Market inputs are obtained from well-established and recognized vendors of market data and subjected to

tolerance and quality checks. For derivative assets and liabilities, standard industry models are used to calculate the fair value of the various financial instruments based on significant observable market inputs, such as foreign exchange rates, commodity prices, swap rates, interest rates and implied volatilities obtained from various market sources.
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Cash Flow
Defined Benefit Plan
DuPont contributed, on behalf of Chemours, $35 and $34 to its pension plans other than the principal U.S. pension plan in 2014 and 2013, respectively. DuPont contributed, on behalf of Chemours, $66 and $58 to its other long-term employee benefit plans in 2014 and 2013, respectively. DuPont contributed, on behalf of Chemours, $38 in the first half of 2015 to its pension and other long-term benefit plans and Chemours contributed $8 during 2015 to its pension plans. Chemours expects to contribute $18 to its pension plans in 2016.
Estimated future benefit payments
The following benefit payments are expected to be paid over the next five years and the five years thereafter as of December 31, 2015:

2016	$ 42
2017	45
2018	44
2019	47
2020	47
2021–2025	250

Defined Contribution Plan
DuPont’s contributions to the plan on behalf of Chemours were allocated in the amounts of $52 and $50 for the years ended December 31, 2014 and 2013, respectively. In addition, DuPont contributed on behalf of Chemours about $26 to its defined contribution plans for the first half of 2015. From July 1 to December 31, 2015, Chemours contributed $28 to its defined contribution plan.
Note 22. Stock-based Compensation
Total stock-based compensation cost included in the Consolidated Statements of Operations was $17, $7 and $6 for the years ended December 31, 2015, 2014 and 2013, respectively. The income tax benefits related to stock-based compensation arrangements were $7, $3 and $2 for the years ended December 31, 2015, 2014 and 2013, respectively. Stock-based compensation expense in prior years and until separation on July 1, 2015 was allocated to Chemours based on the portion of DuPont’s incentive stock program in which Chemours employees participated. Adopted at separation, the Chemours Company Equity and Incentive Plan grants certain employees, independent contractors, or non-employee directors of the Company different forms of awards, including stock options and RSUs. The equity and incentive plan has maximum shares reserve for the grant of 13,500,000 plus the number of shares of converted awards (described below). Chemours Compensation Committee determines the long-term incentive mix, including stock options and RSU, and may authorize new grants annually.
In accordance with the employee matters agreement between DuPont and Chemours, certain executives and employees were entitled to receive equity compensation awards of Chemours in replacement of previously outstanding awards granted under various DuPont stock incentive plans prior to the separation. In connection with the spin-off, these awards were converted into new Chemours equity awards using a formula designed to preserve the intrinsic value of the awards immediately prior to the July 1, 2015 spin-off. At the date of conversion, total intrinsic value of the converted options was $18. As a result of the

conversion of these awards, we recorded an approximate $3 incremental charge in the third quarter of 2015. The terms and conditions of the DuPont awards were replicated and as necessary, adjusted to ensure that the vesting schedule and economic value of the awards was unchanged by the conversion.

Stock Options

Chemours granted non-qualified options to employees in July 2015 representing replacement of previously granted performance stock unit awards at DuPont. The July 2015 grant will cliff vest March 1, 2018 and expire 10 years from date of grant. Other than those options, Chemours' expense related to stock options was entirely related to options granted to replace outstanding option awards from DuPont that were converted to Chemours options on July 1, 2015. The fair value related to stock options granted was determined using Black-Scholes option pricing model and the assumptions shown in the table below:

	Year Ended December 31, 2015
Risk-free interest rate	1.5%
Expected term (years)	5.4
Volatility	42.0%
Dividend yield	6.9%
Fair value per stock option	$ 3.17

The Company determined the dividend yield by dividing the expected annual dividend on the Company's stock by the option exercise price. A historical daily measurement of volatility is determined based on Chemours peer companies' average volatility adjusted for the Company's debt leverage. The risk-free interest rate is determined by reference to the yield on an outstanding U.S. Treasury note with a term equal to the expected life of the option granted. Expected life is determined by reference to Chemours peer companies expected life and the historical experience of Chemours under the DuPont stock incentive plan prior to the separation.

The following table summarizes Chemours stock option activity for the year ended December 31, 2015.

	Number of Shares (in thousands)	Weighted Average Exercise Price (per share)	Weighted Average Remaining Contractual Term (years)	Aggregate Intrinsic Value (in thousands)
Outstanding, December 31, 2014	—	N/A		
Converted on July 1, 2015	7,794	$ 14.56		
Granted	662	16.04		
Exercised	(22)	5.82		
Forfeited	(150)	17.20		
Expired	—	N/A		
Outstanding, December 31, 2015	8,284	$ 14.66	4.82	$ —
Exercisable, December 31, 2015	5,595	$ 13.79	4.21	$ —

The aggregate intrinsic values in the table above represent the total pre-tax intrinsic value (the difference between the Company's closing stock price on the last trading day of December 31, 2015 and the exercise price, multiplied by the number of in-the-money options) that would have been received by the option holders had all option holders exercised

their in-the-money options at quarter end. The amount
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changes based on the fair market value of the Company's stock. Total intrinsic value of options exercised for year ended December 31, 2015 was insignificant.

As of December 31, 2015, there was $5 of unrecognized stock-based compensation expense related to stock options that is expected to be recognized over a weighted-average period of 1.95 years.

RSUs

At the time of separation, in accordance with the employee matters agreement, the Company issued RSUs that serially vest over a three-year period and, upon vesting, convert one-for-one to Chemours common stock to replace similar DuPont awards. Under the existing awards, a retirement eligible employee retains any granted awards upon retirement provided the employee has rendered at least six months of service following the grant date. Additional RSUs were also granted to key senior management employees with a performance condition. These RSUs vest on the third anniversary of the date of grant subject to the satisfaction of the performance condition. The fair value of all stock-settled RSUs is based upon the market price of the underlying common stock as of the grant date.

Non-vested awards of RSUs, both with and without performance feature, as of December 31, 2015 are shown below. The weighted-average grant-date fair value of RSUs granted and converted during 2015 was $14.94.

	Number of Shares (in thousands)	Weighted Average Grant Date Fair Value (per share)
Nonvested, December 31, 2014	—	$ —
Converted on July 1, 2015	1,431	16.00
Granted	1,065	13.50
Vested	(133)	16.00
Forfeited	(14)	16.00
Nonvested, December 31, 2015	2,349	14.87

As of December 31, 2015, there was $23 of unrecognized stock-based compensation expense related to RSUs that is expected to be recognized over a weighted-average period of 2.12 years.

Note 23. Geographic and Segment Information

Geographic Information

	For and As of the Year Ended December 31,					
	2015		2014		2013	
	Net Sales(1)	Net Property, Plant and Equipment	Net Sales(1)	Net Property, Plant and Equipment	Net Sales(1)	Net Property, Plant and Equipment
North America(2)	$ 2,570	$ 2,184	$ 2,759	$ 2,273	$ 3,138	$ 2,183
Asia Pacific	1,393	136	1,548	140	1,519	138
EMEA(3)	977	308	1,190	372	1,237	321
Latin America(4)	777	549	935	523	965	330
Total	$ 5,717	$ 3,177	$ 6,432	$ 3,308	$ 6,859	$ 2,972

(1)
Net sales are attributed to countries based on customer location.

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(2)
Includes net sales in Canada of $140, $147 and $145 in 2015, 2014 and 2013, respectively. Also includes net property, plant and equipment in Canada of $13, $14 and $13 in 2015, 2014 and 2013, respectively.

(3)
EMEA includes Europe, Middle East and Africa.

(4)
Latin America includes Mexico.

Segment Information
Chemours' operations are classified into three segments namely: Titanium Technologies, Fluoroproducts and Chemical Solutions. Corporate costs and certain legal and environmental expenses that are not aligned with the segments and foreign exchange gains and losses are reflected in Corporate and Other.
The Titanium Technologies segment is the leading global producer of TiO2, a premium white pigment used to deliver opacity. The Fluoroproducts segment is a leading global provider of fluoroproducts, such as refrigerants and industrial fluoropolymer resins. The Chemical Solutions segment is a leading North American provider of industrial and specialty chemicals, which includes cyanides, sulfur products and performance chemicals and intermediates, used in gold production, oil refining, agriculture, industrial polymers and other industries. Chemours operates globally in substantially all of its product lines.
In general, the accounting policies of the segments are the same as those described in Note 3. Products are transferred between segments on a basis intended to reflect, as nearly as practicable, the market value of the products. Segment net assets includes net working capital, net property, plant and equipment, and other noncurrent operating assets and liabilities of the segment. Depreciation and amortization includes depreciation on research and development facilities and amortization of other intangible assets, excluding write-down of assets.
Adjusted EBITDA is the primary measure of segment profitability used by the Chief Operating Decision Maker (CODM) and is defined as income (loss) before income taxes excluding the following:

- interest expense, depreciation and amortization,
- non-operating pension and other post-retirement employee benefit costs,
- exchange gains (losses),
- employee separation, asset-related charges and other charges, net,
- asset impairments,
- gains (losses) on sale of business or assets, and
-

other items not considered indicative of our ongoing operational performance and expected to occur infrequently.

The tables presented below reflect the reclassification of certain corporate costs, certain legal and environmental expenses that are not aligned with our reportable segments, and foreign exchange gains and losses from our reportable segments into Corporate and Other. All periods presented reflect the current definition of Adjusted EBITDA.
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	Titanium Technologies	Fluoroproducts	Chemical Solutions	Corporate and Other	Total
Year Ended December 31, 2015					
Net sales	$ 2,392	$ 2,230	$ 1,095	$ —	$ 5,717
Adjusted EBITDA	326	300	29	(82)	573
Depreciation and amortization	125	88	52	2	267
Equity in earnings of affiliates	—	21	—	1	22
Net assets	1,659	1,567	839	(3,935)	130
Investments in affiliates	—	127	—	9	136
Purchases of plant, property and equipment	255	142	117	5	519
2014					
Net sales	$ 2,937	$ 2,327	$ 1,168	$ —	$ 6,432
Adjusted EBITDA	723	282	17	(146)	876
Depreciation and amortization	125	83	48	1	257
Equity in earnings of affiliates	—	20	—	—	20
Net assets	1,748	1,480	782	(337)	3,673
Investments in affiliates	—	124	—	—	124
Purchases of plant, property and equipment	365	133	106	—	604
2013					
Net sales	$ 3,019	$ 2,379	$ 1,461	$ —	$ 6,859
Adjusted EBITDA	726	395	101	(238)	984
Depreciation and amortization	117	90	53	1	261
Equity in earnings of affiliates	—	22	—	—	22
Net assets	1,390	1,387	734	(294)	3,217
Investments in affiliates	—	123	—	—	123
Purchases of plant, property and equipment	290	96	52	—	438

Total Adjusted EBITDA reconciles to total consolidated net (loss) income in the Consolidated Statements of Operations as follows:

	Year Ended December 31,		
	2015	2014	2013
Total Adjusted EBITDA	$ 573	$ 876	$ 984
Interest	(132)	—	—
Depreciation and amortization	(267)	(257)	(261)
Non-operating pension and other post-retirement employee benefit costs	3	(22)	(114)
Exchange gains (losses)	19	(66)	(31)

Explanation of Responses:

Asset impairments	(73)	—	—
Restructuring charges	(285)	(21)	(2)
Transaction, legal and other charges	(17)	—	—
(Loss) gain on sale of assets and businesses	(9)	40	—
(Loss) income before income taxes	(188)	550	576
(Benefit from) provision for income taxes	(98)	149	152
Net (loss) income	$ (90)	$ 401	$ 424

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Note 24. Accumulated Other Comprehensive Income (Loss)
The components of accumulated other comprehensive income (loss), net of income taxes, consisted of:

	Currency Translation Adjustment	Net Investment Hedge	Employee Benefits	Total
Balance at December 31, 2012	$ 19	$ —	$ —	$ 19
Other comprehensive income (loss)	—	—	—	—
Balance at December 31, 2013	19	—	—	19
Other comprehensive income (loss)	—	—	—	—
Balance at December 31, 2014	19	—	—	19
Assumption and establishment of pension plans, net	—	—	(311)	(311)
Other comprehensive income (loss)	(304)	8	52	(244)
Balance at December 31, 2015	$ (285)	$ 8	$ (259)	$ (536)

Note 25. Quarterly Financial Data (Unaudited)
The following is a summary of the quarterly results of operations for the years ended December 31, 2015 and 2014.

	For the three months ended				
2015	March 31	June 30	September 30	December 31	Full Year
Net sales	$ 1,363	$ 1,508	$ 1,486	$ 1,360	$ 5,717
Cost of goods sold	1,111	1,282	1,222	1,147	4,762
Income (loss) before income taxes	58	(18)	(107)	(121)	(188)
Net income (loss)	43	(18)	(29)	(86)	(90)
Net income (loss) attributable to Chemours	43	(18)	(29)	(86)	(90)
Basic earnings (loss) per share(1)	0.24	(0.10)	(0.16)	(0.48)	(0.50)
Diluted earnings (loss) per share(1)	0.24	(0.10)	(0.16)	(0.48)	(0.50)

	For the three months ended				
2014	March 31	June 30	September 30	December 31	Full Year
Net sales	$ 1,569	$ 1,682	$ 1,632	$ 1,549	$ 6,432
Cost of goods sold	1,240	1,311	1,273	1,248	5,072
Income before income taxes	132	155	143	120	550
Net income	98	116	108	79	401
Net income attributable to Chemours	98	116	107	79	400
Basic earnings per share(1)	0.54	0.64	0.59	0.44	2.21
Diluted earnings per share(1)	0.54	0.64	0.59	0.44	2.21

(1)
On July 1, 2015, E. I. du Pont de Nemours and Company distributed 180,966,833 shares of Chemours' common stock to holders of its common stock. Basic and diluted earnings (loss) per common share for all periods prior to July 1,

2015 were calculated using the shares distributed on July 1, 2015. Refer to Note 9 for information regarding the calculation of basic and diluted earnings per share.

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Note 26. Guarantor Condensed Consolidating Financial Information

In connection with the issuance of the Notes by The Chemours Company (the Parent Issuer), this guarantor financial information is included in accordance with Rule 3-10 of Regulation S-X ("Rule 3-10"). The Notes are fully and unconditionally guaranteed, jointly and severally, on a senior unsecured unsubordinated basis, in each case, subject to certain exceptions, by the Parent Issuer and by certain subsidiaries (together, the Guarantor Subsidiaries).

Each of the Guarantor Subsidiaries is 100% owned by the Company. None of the other subsidiaries of the Company, either direct or indirect, guarantee the Notes (together, the Non-Guarantor Subsidiaries). The Guarantor Subsidiaries of the Notes, excluding the Parent Issuer, will be automatically released from those guarantees upon the occurrence of certain customary release provisions.

The following condensed consolidating financial information is presented to comply with the Company's requirements under Rule 3-10:

- the Consolidating Statements of Comprehensive Income (Loss) for the years ended December 31, 2015, 2014 and 2013;

- the Consolidating Balance Sheets as of December 31, 2015 and 2014; and

- the Consolidating Statements of Cash Flows for the years ended December 31, 2015, 2014 and 2013.

Condensed consolidating financial information of the Parent Issuer for the year ended December 31, 2013 did not exist as the Parent Issuer was not organized until February 18, 2014. As discussed in Note 2, Chemours did not operate as a separate, stand-alone entity for the full period covered by the Consolidated Financial Statements. Prior to our spin-off on July 1, 2015, Chemours operations were included in DuPont's financial results in different legal forms, including but not limited to wholly-owned subsidiaries for which Chemours was the sole business, components of legal entities in which Chemours operated in conjunction with other DuPont businesses and a majority owned joint venture. For periods prior to July 1, 2015, the accompanying Condensed Consolidated Financial Information has been prepared from DuPont's historical accounting records and is presented on a stand-alone basis as if the business operations had been conducted independently from DuPont.

The Condensed Consolidating Financial Information is presented using the equity method of accounting for its investments in 100% owned subsidiaries. Under the equity method, the investments in subsidiaries are recorded at cost and adjusted for our share of the subsidiaries cumulative results of operations, capital contributions, distributions and other equity changes. The elimination entries principally eliminate investments in subsidiaries and intercompany balances and transactions. The financial information in this note should be read in conjunction with the Consolidated Financial Statements presented and other notes related thereto contained in this Registration Statement on Form S-4.

The Company revised its Condensed Consolidating Statement of Comprehensive Income and of Cash Flows for the year ended December 31, 2015 to correct the presentation of certain intercompany activities, which were improperly classified among the Parent Issuer, the Guarantor Subsidiaries and the Non-Guarantor Subsidiaries. These errors had no impact on the Condensed Consolidating Balance Sheet, Consolidated Financial Statements of the Company.

The Company assessed the materiality of these errors on the previously issued financial statements and concluded that the errors were not material to the Consolidated Financial Statements taken as a whole.

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The impact of the revisions noted above is reflected in the following tables:
Condensed Consolidating Statements of Comprehensive (Loss) Income:

	Parent Issuer		Guarantor Subsidiaries		Non-Guarantor Subsidiaries		Eliminations and Adjustments	
	As Reported	As Revised	As Reported	As Revised	As Reported	As Revised	As Reported	As Revised
Year Ended December 31, 2015								
Net sales	$ —	$ —	$ 4,067	$ 4,044	$ 3,200	$ 3,269	$ (1,550)	$ (1,596)
Cost of goods sold	—	—	4,123	3,708	2,246	2,650	(1,607)	(1,596)
Gross (loss) profit	—	—	(56)	336	954	619	57	—
Selling, general and administrative expense	15	15	460	426	170	204	(13)	(13)
Equity in earnings of subsidiaries	(15)	(47)	—	—	—	—	15	47
Interest expense and other income, net	(106)	(74)	192	91	(107)	(75)	(57)	(20)
(Loss) income before income taxes	(136)	(136)	(734)	(413)	654	321	28	40
(Benefit from) provision for income taxes	(46)	(46)	(114)	(89)	54	40	8	(3)
Net (loss) income	(90)	(90)	(620)	(324)	600	281	20	43
Comprehensive (loss) income attributable to Chemours	(82)	(82)	(620)	(324)	348	29	20	43

Condensed Consolidating Statements of Cash Flows:

	Parent Issuer		Guarantor Subsidiaries		Non-Guarantor Subsidiaries		Eliminations and Adjustments	
	As Reported	As Revised	As Reported	As Revised	As Reported	As Revised	As Reported	As Revised

Year Ended December 31, 2015								
Cash flows from operating activities	$ (119)	$ (119)	$ (125)	$ 171	$ 440	$ 121	$ (14)	$ 9
Cash flows from investing activities	—	—	(446)	(446)	(253)	(253)	202	202
Cash flows from financing activities	119	119	666	370	90	409	(188)	(211)

Explanation of Responses:

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Condensed Consolidating Statements of Comprehensive (Loss) Income

	Year Ended December 31, 2015				
	Parent Issuer	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations and Adjustments	Consolidated
Net sales	$ —	$ 4,044	$ 3,269	$ (1,596)	$ 5,717
Cost of goods sold	—	3,708	2,650	(1,596)	4,762
Gross (loss) profit	—	336	619	—	955
Selling, general and administrative expense	15	426	204	(13)	632
Research and development expense	—	95	2	—	97
Employee separation and asset related charges, net	—	295	38	—	333
Goodwill impairment	—	25	—	—	25
Total expenses	15	841	244	(13)	1,087
Equity in earnings of affiliates	—	1	21	—	22
Equity in net loss of subsidiaries	(47)	—	—	47	—
Interest expense, net	(131)	(1)	—	—	(132)
Intercompany interest income (expense), net	44	—	(44)	—	—
Other income (loss), net	13	92	(31)	(20)	54
(Loss) income before income taxes	(136)	(413)	321	40	(188)
(Benefit from) provision for income taxes	(46)	(89)	40	(3)	(98)
Net (loss) income	(90)	(324)	281	43	(90)
Less: Net income attributable to noncontrolling interests	—	—	—	—	—
Net (loss) income attributable to Chemours	$ (90)	$ (324)	$ 281	$ 43	$ (90)
Comprehensive (loss) income attributable to Chemours	$ (82)	$ (324)	$ 29	$ 43	$ (334)

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Condensed Consolidating Statements of Comprehensive Income

	Year Ended December 31, 2014				
	Parent Issuer	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations and Adjustments	Consolidated
Net sales	$ —	$ 4,593	$ 3,722	$ (1,883)	$ 6,432
Cost of goods sold	—	3,863	3,093	(1,884)	5,072
Gross profit	—	730	629	1	1,360
Selling, general and administrative expense	—	429	256	—	685
Research and development expense	—	127	16	—	143
Employee separation and asset related charges, net	—	11	10	—	21
Total expenses	—	567	282	—	849
Equity in earnings of affiliates	—	—	20	—	20
Equity in earnings of subsidiaries	400	—	—	(400)	—
Other income (expense), net	—	80	(61)	—	19
Income before income taxes	400	243	306	(399)	550
Provision for income taxes	—	75	76	(2)	149
Net income	400	168	230	(397)	401
Less: Net income attributable to noncontrolling interests	—	—	1	—	1
Net income attributable to Chemours	$ 400	$ 168	$ 229	$ (397)	$ 400
Comprehensive income attributable to Chemours	$ 400	$ 168	$ 229	$ (397)	$ 400

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The Chemours Company
Notes to the Consolidated Financial Statements
(Dollars in millions, except per share)

Condensed Consolidating Statements of Comprehensive Income

	Year Ended December 31, 2013				
	Parent Issuer	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations and Adjustments	Consolidated
Net sales	$ —	$ 5,066	$ 3,690	$ (1,897)	$ 6,859
Cost of goods sold	—	4,250	3,053	(1,908)	5,395
Gross profit	—	816	637	11	1,464
Selling, general and administrative expense	—	492	276	—	768
Research and development expense	—	147	17	—	164
Employee separation and asset related charges, net	—	—	2	—	2
Total expenses	—	639	295	—	934
Equity in earnings of affiliates	—	—	22	—	22
Other income (expense), net	—	48	(24)	—	24
Income before income taxes	—	225	340	11	576
Provision for income taxes	—	72	77	3	152
Net income	—	153	263	8	424
Less: Net income attributable to noncontrolling interests	—	—	1	—	1
Net income attributable to Chemours	$ —	$ 153	$ 262	$ 8	$ 423
Comprehensive income attributable to Chemours	$ —	$ 153	$ 262	$ 8	$ 423

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The Chemours Company
Notes to the Consolidated Financial Statements
(Dollars in millions, except per share)

Condensed Consolidating Balance Sheets

	Year Ended December 31, 2015				
	Parent Issuer	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations and Adjustments	Consolidated
Assets					
Current assets:					
Cash	$ —	$ 95	$ 271	$ —	$ 366
Accounts and notes receivable–trade, net	—	344	515	—	859
Intercompany receivable	3	459	54	(516)	—
Inventories	—	493	501	(22)	972
Prepaid expenses and other	—	49	52	3	104
Total current assets	3	1,440	1,393	(535)	2,301
Property, plant and equipment	—	7,070	1,945	—	9,015
Less: Accumulated depreciation	—	(4,899)	(939)	—	(5,838)
Net property, plant and equipment	—	2,171	1,006	—	3,177
Goodwill	—	141	25	—	166
Other intangible assets, net	—	10	—	—	10
Investments in affiliates	—	9	127	—	136
Investment in subsidiaries	3,105	—	—	(3,105)	—
Intercompany notes receivable	1,150	—	—	(1,150)	—
Other assets	19	275	214	—	508
Total assets	$ 4,277	$ 4,046	$ 2,765	$ (4,790)	$ 6,298
Liabilities and equity					
Current liabilities:					
Accounts payable	$ —	$ 637	$ 336	$ —	$ 973
Short-term borrowings and current maturities of long-term debt	15	24	—	—	39
Intercompany payable	202	54	260	(516)	—
Other accrued liabilities	21	287	146	—	454
Total current liabilities	238	1,002	742	(516)	1,466
Long-term debt	3,913	2	—	—	3,915
Other liabilities	—	456	97	—	553
Intercompany notes payable	—	—	1,150	(1,150)	—
Deferred income taxes	—	173	61	—	234
Total liabilities	4,151	1,633	2,050	(1,666)	6,168

Commitments and contingent liabilities					
Equity					
Total Chemours stockholder's equity	126	2,413	711	(3,124)	126
Noncontrolling interests	—	—	4	—	4
Total equity	126	2,413	715	(3,124)	130
Total liabilities and equity	$ 4,277	$ 4,046	$ 2,765	$ (4,790)	$ 6,298

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The Chemours Company
Notes to the Consolidated Financial Statements
(Dollars in millions, except per share)

Condensed Consolidating Balance Sheets

	Year Ended December 31, 2014				
	Parent Issuer	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations and Adjustments	Consolidated
Assets					
Current assets:					
Cash	$ —	$ —	$ —	$ —	$ —
Accounts and notes receivable–trade, net	—	355	491	—	846
Intercompany receivable	—	316	42	(358)	—
Inventories	—	510	616	(74)	1,052
Prepaid expenses and other	—	12	16	15	43
Total current assets	—	1,193	1,165	(417)	1,941
Property, plant and equipment	—	7,107	2,175	—	9,282
Less: Accumulated depreciation	—	(4,848)	(1,126)	—	(5,974)
Net property, plant and equipment	—	2,259	1,049	—	3,308
Goodwill	—	170	28	—	198
Other intangible assets, net	—	11	—	—	11
Investments in affiliates	—	—	124	—	124
Investments in subsidiaries	3,669	—	—	(3,669)	—
Other assets	—	332	45	—	377
Total assets	$ 3,669	$ 3,965	$ 2,411	$ (4,086)	$ 5,959
Liabilities and equity					
Current liabilities:					
Accounts payable	$ —	$ 614	$ 432	$ —	$ 1,046
Intercompany payable	—	42	316	(358)	—
Other accrued liabilities	—	248	104	—	352
Total current liabilities	—	904	852	(358)	1,398
Other liabilities	—	454	10	—	464
Deferred income taxes	—	380	44	—	424
Total liabilities	—	1,738	906	(358)	2,286
Commitments and contingent liabilities					
Equity					
Total Chemours stockholder’s equity	3,669	2,227	1,501	(3,728)	3,669

Noncontrolling interests	—	—	4	—	4
Total equity	3,669	2,227	1,505	(3,728)	3,673
Total liabilities and equity	$ 3,669	$ 3,965	$ 2,411	$ (4,086)	$ 5,959

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The Chemours Company
Notes to the Consolidated Financial Statements
(Dollars in millions, except per share)

Condensed Consolidating Statements of Cash Flows

	Year Ended December 31, 2015				
	Parent Issuer	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations and Adjustments	Consolidated
Operating activities					
Cash (used for) provided by operating activities	$ (119)	$ 171	$ 121	$ 9	$ 182
Investing activities					
Purchases of property, plant and equipment	—	(292)	(227)	—	(519)
Proceeds from sales of assets, net	—	6	6	—	12
Foreign exchange contract settlements	—	42	—	—	42
Investment in affiliates	—	—	(32)	—	(32)
Intercompany investing activities	—	(202)	—	202	—
Cash used for investing activities	—	(446)	(253)	202	(497)
Financing activities					
Proceeds from issuance of debt, net	3,489	2	—	—	3,491
Intercompany short-term borrowings, net	202	—	—	(202)	—
Debt repayments	(8)	(2)	—	—	(10)
Dividends paid	(105)	—	—	—	(105)
Debt issuance costs	(79)	—	—	—	(79)
Cash provided at separation by DuPont	—	87	160	—	247
Net transfers (to) from DuPont	(3,380)	283	249	(9)	(2,857)
Cash provided by financing activities	119	370	409	(211)	687
Effect of exchange rate changes on cash	—	—	(6)	—	(6)
Increase in cash	—	95	271	—	366
Cash at beginning of year	—	—	—	—	—
Cash at end of year	$ —	$ 95	$ 271	$ —	$ 366

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The Chemours Company
Notes to the Consolidated Financial Statements
(Dollars in millions, except per share)

Condensed Consolidating Statements of Cash Flows

Year Ended December 31, 2014

	Parent Issuer	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations and Adjustments	Consolidated
Operating activities					
Cash provided by operating activities	$ —	$ 302	$ 208	$ (5)	$ 505
Investing activities					
Purchases of property, plant and equipment	—	(287)	(317)	—	(604)
Proceeds from sales of assets, net	—	30	2	—	32
Investment in affiliates	—	—	(8)	—	(8)
Other investing activities	—	20	—	—	20
Cash used for investing activities	—	(237)	(323)	—	(560)
Financing activities					
Net transfers (to) from DuPont	—	(65)	115	5	55
Cash (used for) provided by financing activities	—	(65)	115	5	55
Effect of exchange rate changes on cash	—	—	—	—	—
Increase in cash	—	—	—	—	—
Cash at beginning of year	—	—	—	—	—
Cash at end of year	$ —	$ —	$ —	$ —	$ —

Year Ended December 31, 2013

	Parent Issuer	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations and Adjustments	Consolidated
Operating activities					
Cash provided by operating activities	$ —	$ 388	$ 409	$ 1	$ 798
Investing activities					
Purchases of property, plant and equipment	—	(200)	(238)	—	(438)
Proceeds from sales of assets, net	—	8	6	—	14
Cash used for investing activities	—	(192)	(232)	—	(424)
Financing activities					
Net transfers to DuPont	—	(196)	(177)	(1)	(374)
Cash used for financing activities	—	(196)	(177)	(1)	(374)
Effect of exchange rate changes on cash	—	—	—	—	—

Increase in cash	—	—	—	—	—
Cash at beginning of year	—	—	—	—	—
Cash at end of year	$ —	$ —	$ —	$ —	$ —

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THE CHEMOURS COMPANY
Offers to Exchange
$1,350,000,000 aggregate principal amount of its 6.625% Senior Notes due 2023, $750,000,000 aggregate principal amount of its 7.000% Senior Notes due 2025 and €360,000,000 aggregate principal amount of its 6.125% Senior Notes due 2023, the issuance of which has been registered under the Securities Act of 1933, as amended, for any and all of its outstanding $1,350,000,000 aggregate principal amount of its 6.625% Senior Notes due 2023 issued on May 12, 2015, $750,000,000 aggregate principal amount of its 7.000% Senior Notes due 2025 issued on May 12, 2015, and €360,000,000 aggregate principal amount of its 6.125% Senior Notes due 2023 issued on May 12, 2015

PROSPECTUS