TransDigm Group INC
Form 424B3
April 11, 2019
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Filed Pursuant to Rule 424(b)(3)
Registration No. 333-228336

PROSPECTUS

TransDigm UK Holdings plc

OFFER TO EXCHANGE

Up to $500,000,000 aggregate principal amount of its 6.875% Senior Subordinated Notes due 2026

registered under the Securities Act of 1933 for

any and all of its outstanding 6.875% Senior Subordinated Notes due 2026

that were issued on May 8, 2018

We are offering to exchange new registered 6.875% senior subordinated notes due 2026, which we refer to herein as the exchange notes, for all of our outstanding unregistered 6.875% senior subordinated notes due 2026 that were issued on May 8, 2018, which we refer to herein as the original notes.

We refer herein to the original notes and exchange notes, collectively, as the notes.

The exchange offer expires at 5:00 p.m., New York City time, on May 9, 2019, unless extended. The exchange offer is subject to customary conditions that we may waive.

All outstanding original notes that are validly tendered and not validly withdrawn prior to the expiration of the exchange offer will be exchanged for the exchange notes.

Tenders of outstanding notes may be withdrawn at any time before 5:00 p.m., New York City time, on the expiration date of the exchange offer.

We believe that the exchange of original notes for exchange notes should not be a taxable exchange for U.S. federal income tax purposes.

We will not receive any proceeds from the exchange offer.

The terms of the exchange notes to be issued are substantially identical to the terms of the original notes, except that the exchange notes will not have transfer restrictions and you will not have registration rights.

If you fail to tender your original notes, you will continue to hold unregistered securities and it may be difficult for you to transfer them.

There is no established trading market for the exchange notes. It is intended that an application will be made to the Irish Stock Exchange trading as Euronext Dublin for the admission of the exchange notes to the Official List and trading on the Global Exchange Market of Euronext Dublin. The Global Exchange Market is not a regulated market for the purposes of Directive 2004/39/EC. There is no assurance that the exchange notes will be listed on the Official List of Euronext Dublin or admitted to trading on the Global Exchange Market.

See Risk Factors beginning on page 10 for a discussion of matters you should consider before you participate in the exchange offer.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

The date of this prospectus is April 11, 2019.

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This prospectus incorporates important business and financial information about us that is not included or delivered with this prospectus. We will provide this information to you at no charge upon written or oral request directed to Investor Relations, TransDigm Group Incorporated, 1301 East 9th Street, Suite 3000, Cleveland, Ohio 44114 (telephone number (216) 706-2945). **In order to ensure timely delivery of this information, any request should be made by May 2, 2019, five business days prior to the expiration date of the exchange offer.**

No dealer, salesperson or other individual has been authorized to give any information or to make any representations not contained in this prospectus in connection with the exchange offer. If given or made, such information or representations must not be relied upon as having been authorized by us. Neither the delivery of this prospectus nor any sale made hereunder shall, under any circumstances, create any implications that there has not been any change in the facts set forth in this prospectus or in our affairs since the date hereof.

Each broker-dealer that receives exchange notes for its own account pursuant to the exchange offer must acknowledge that it will deliver a prospectus in connection with any resale of such exchange notes. The letter of transmittal accompanying this prospectus states that by so acknowledging 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 of 1933, as amended, or the Securities Act. 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 the exchange notes received in exchange for original notes where such original notes were acquired by such broker-dealer as a result of market-making activities or other trading activities. We have agreed that, for a period of 180 days after the expiration of the exchange offer, we will make this prospectus

available to any broker-dealer for use in connection with any such resales. See Plan of Distribution.

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NOTICE TO INVESTORS

This prospectus contains summaries of the terms of certain agreements that we believe to be accurate in all material respects. However, we refer you to the actual agreements for complete information relating to those agreements. All summaries of such agreements contained in this prospectus or incorporated by reference into this prospectus are qualified in their entirety by this reference. To the extent that any such agreement is attached as an exhibit to this registration statement, we will make a copy of such agreement available to you upon request.

The notes will be available in book-entry form only. The notes exchanged pursuant to this prospectus will be issued in the form of one or more global certificates, which will be deposited with, or on behalf of, The Depository Trust Company, or DTC, and registered in its name or in the name of Cede & Co., its nominee. Beneficial interests in the global certificates will be shown on, and transfer of the global certificates will be effected only through, records maintained by DTC and its participants, including Clearstream Banking, S.A., or Clearstream, and Euroclear Bank S.A./N.V., as operator of the Euroclear System, or Euroclear. After the initial issuance of the global certificates, notes in certificated form will be issued in exchange for global certificates only in the limited circumstances set forth in the indenture, dated as of May 8, 2018, governing the notes, which we refer to herein as the indenture. See Book-Entry, Delivery and Form.

NOTICE TO INVESTORS IN THE EUROPEAN ECONOMIC AREA

The exchange notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area, or the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU, as amended, or MiFID II; (ii) a customer within the meaning of Directive 2002/92/EC, as amended, or the Insurance Mediation Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Directive 2003/71/EC, as amended, or the Prospectus Directive. Consequently no key information document required by Regulation (EU) No 1286/2014, as amended, or the PRIIPs Regulation, for offering or selling the notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

NOTICE TO INVESTORS IN THE UNITED KINGDOM

This document and any other material in relation to the exchange notes described herein are only being distributed to, and are only directed at, persons in the United Kingdom that are qualified investors within the meaning of Article 2(1)(e) of the Prospectus Directive (and amendments thereto) and Section 86(7) of the Financial Services and Markets Act 2000 (United Kingdom), as amended, or the FSMA, that are also (i) investment professionals falling within Article 19(5) of the FSMA (Financial Promotion) Order 2005, as amended, or the Order, or (ii) persons falling within Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the Order or (iii) persons to whom an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) in connection with the issue or sale of any notes may be communicated or caused to be communicated in circumstances in which Section 21(1) of the FSMA does not apply to us (all such persons together being referred to as relevant persons). The exchange notes are only available to, and any invitation, offer or agreement to purchase or otherwise acquire such exchange notes will be engaged only with, relevant persons. Any person in the United Kingdom that is not a relevant person should not act or rely on this document or any of its contents. The exchange notes are not being offered or sold to any person in the United Kingdom, except in circumstances which will not result in an offer of securities to the public in the United Kingdom within the meaning of Part VI of the FSMA.

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PROSPECTUS SUMMARY

This summary highlights information contained elsewhere in this prospectus and in documents we file with the Securities and Exchange Commission, or the SEC, that are incorporated by reference in this prospectus. This summary may not contain all of the information that may be important to you. You should read the entire prospectus and the information incorporated by reference in this prospectus carefully, including the financial statements and the related notes incorporated by reference in this prospectus, before you decide to participate in the exchange offer. This prospectus contains forward-looking statements, which involve risks and uncertainties. Our actual results could differ materially from those anticipated in such forward-looking statements as a result of certain factors, including those discussed in the Risk Factors and other sections of this prospectus and in the documents incorporated by reference in this prospectus. Unless the context otherwise requires, references in this prospectus to we, us, our and the Company refer to TransDigm Group Incorporated, TransDigm Inc. and its subsidiaries, including TransDigm UK Holdings plc.

Our Company

We believe we are a leading global designer, producer and supplier of highly engineered aircraft components for use on nearly all commercial and military aircraft in service today. Our business is well diversified due to the broad range of products we offer to our customers. We estimate that about 90% of our net sales for fiscal year 2018 were generated by proprietary products. In addition, for fiscal year 2018, we estimate that we generated about 80% of our net sales from products for which we are the sole source provider.

Most of our products generate significant aftermarket revenue. Once our parts are designed into and sold on a new aircraft, we generate net sales from aftermarket consumption over the life of that aircraft, which is generally estimated to be approximately 25 to 30 years. A typical platform can be produced for 20 to 30 years, giving us an estimated product life cycle in excess of 50 years. We estimate that approximately 60% of our net sales in fiscal year 2018 were generated from aftermarket sales, the vast majority of which came from the commercial and military aftermarkets. These aftermarket revenues have historically produced a higher gross margin and been more stable than sales to original equipment manufacturers, or OEMs.

We primarily design, produce and supply highly engineered proprietary aerospace components (and certain systems/subsystems) with significant aftermarket content. We seek to develop highly customized products to solve specific needs for aircraft operators and manufacturers. We attempt to differentiate ourselves based on engineering, service and manufacturing capabilities. We typically choose not to compete for non-proprietary build to print business because it frequently offers lower margins than proprietary products. We believe that our products have strong brand names within the industry and that we have a reputation for high quality, reliability and customer support.

Our business is well diversified due to the broad range of products that we offer to our customers. Some of our more significant product offerings, substantially all of which are ultimately provided to end-users in the aerospace industry, include mechanical/electro-mechanical actuators and controls, ignition systems and engine technology, specialized pumps and valves, power conditioning devices, specialized AC/DC electric motors and generators, NiCad batteries and chargers, engineered latching and locking devices, rods and locking devices, engineered connectors and elastomers, databus and power controls, cockpit security components and systems, specialized cockpit displays, aircraft audio systems, specialized lavatory components, seat belts and safety restraints, engineered interior surfaces and related components, lighting and control technology, military personnel parachutes, high performance hoists, winches and lifting devices, and cargo loading, handling and delivery systems.

Our customers include: (1) distributors of aerospace components; (2) worldwide commercial airlines, including national and regional airlines; (3) large commercial transport and regional and business aircraft OEMs; (4) various armed forces of the United States and friendly non-U.S. governments; (5) defense OEMs; (6) system

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suppliers; and (7) various other industrial customers. For the year ended September 30, 2018, Airbus S.A.S. (which includes Satair A/S, a distributor of commercial aftermarket parts to airlines throughout the world) accounted for approximately 11% of our net sales and The Boeing Company (which includes Aviall, Inc., also a distributor of commercial aftermarket parts to airlines throughout the world) accounted for approximately 10% of our net sales. Our top ten customers for fiscal year 2018 accounted for approximately 43% of our net sales. Products supplied to many of our customers are used on multiple platforms.

Recent Developments

On February 13, 2019, TransDigm Inc. issued in private offerings to qualified institutional buyers in accordance with Rule 144A under the Securities Act and to persons outside the United States under Regulation S under the Securities Act: (i) $4.0 billion combined aggregate principal amount of 6.25% senior secured notes due 2026, or the secured notes, which consisted of $3.8 billion aggregate principal amount of secured notes at an issue price of 100% of the principal amount thereof that TransDigm Inc. agreed to sell on January 30, 2019 and $200 million aggregate principal amount of secured notes at an issue price of 101% of the principal amount thereof that TransDigm Inc. agreed to sell on February 1, 2019; and (ii) $550 million aggregate principal amount of 7.50% senior subordinated notes due 2027, or the 2027 notes, at an issue price of 100% of the principal amount thereof. The secured notes and the 2027 notes are guaranteed, with certain exceptions, by TransDigm Group Incorporated and TransDigm UK Holdings plc and certain of TransDigm Inc. s existing and future U.S. subsidiaries on a senior secured basis and senior subordinated basis, respectively. The secured notes are secured by a first-priority security interest in substantially all the assets of TransDigm Inc., TransDigm Group Incorporated and TransDigm UK Holdings plc and each other guarantor on an equal and ratable basis with any other existing and future senior secured debt, including indebtedness under TransDigm Inc. s senior secured credit facilities.

TransDigm Inc. used the net proceeds from the offerings of the secured notes to fund the purchase price for its acquisition, or the Esterline Acquisition, of all of the outstanding stock of Esterline Technologies Corporation, or Esterline, which closed on March 14, 2019. TransDigm Inc. used the net proceeds from the offering of the 2027 notes, along with cash on hand, to redeem all of its outstanding 5.50% Senior Subordinated Notes due 2020, or the 2020 notes.

We refer to the Esterline Acquisition and the related transactions, including the offerings of the secured notes, the use of the proceeds thereof and the redemption of Esterline s outstanding 3.625% Senior Notes due 2023, along with the offering of the 2027 notes, the use of proceeds thereof, along with cash on hand, to redeem all of the outstanding 2020 notes and the exchange offer, collectively, as the 2019 Transactions

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Summary of the Exchange Offer

On May 8, 2018, we issued the original notes in a transaction exempt from registration under the Securities Act. In connection with the offering of the original notes, we entered into a registration rights agreement, dated as of May 8, 2018, relating to the notes, which we refer to herein as the registration rights agreement, with the initial purchasers of the notes. In the registration rights agreement, we agreed to offer the exchange notes, which will be registered under the Securities Act, in exchange for the original notes. The exchange offer is intended to satisfy our obligations under the registration rights agreement. We also agreed to deliver this prospectus to the holders of the original notes. You should read the discussions under the headings Prospectus Summary Summary of the Terms of the Exchange Notes Description of the Exchange Notes for information regarding the exchange notes.

The Exchange Offer

This is an offer to exchange, in minimum denominations of $200,000 and multiples of $1,000 in excess thereof, exchange notes for like amounts of original notes. The exchange notes are substantially identical to the original notes, except that the exchange notes generally will be freely transferable. Based upon interpretations by the staff of the SEC, set forth in no action letters issued to unrelated third parties, we believe that you can transfer the exchange notes without complying with the registration and prospectus delivery provisions of the Securities Act if you:

- acquire the exchange notes in the ordinary course of your business;
- are not and do not intend to become engaged in a distribution of the exchange notes;
- are not an affiliate (within the meaning of the Securities Act) of ours;
- are not a broker-dealer (within the meaning of the Securities Act) that acquired the original notes from us or our affiliates; and
- are not a broker-dealer (within the meaning of the Securities Act) that acquired the original notes in a transaction as part of its market-making or other trading activities.

If any of these conditions are not satisfied and you transfer any exchange note without delivering a proper prospectus or without qualifying for a registration exemption, you may incur liability under the Securities Act. See The Exchange Offer Purpose of the Exchange Offer.

Registration Rights Agreement

Under the registration rights agreement, we have agreed to use our reasonable best efforts to consummate the exchange offer or cause the original notes to be registered under the Securities Act to permit resales. If we are not in compliance with our obligations under the registration rights agreement, liquidated damages will accrue on the original notes in addition to the interest that otherwise is due on the original notes. If the exchange offer is completed on the terms and within the time period contemplated by this prospectus, no liquidated damages will be payable on the original notes. The exchange notes will not contain any provisions regarding the payment of liquidated damages. See The Exchange Offer Liquidated Damages.

Minimum Condition

The exchange offer is not conditioned on any minimum aggregate principal amount of original notes being tendered in the exchange offer.

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Expiration Date	The exchange offer will expire at 5:00 p.m., New York City time, on May 9, 2019, unless we extend it.
Exchange Date	We will accept original notes for exchange at the time when all conditions of the exchange offer are satisfied or waived. We will deliver the exchange notes promptly after we accept the original notes.
Conditions to the Exchange Offer	Our obligation to complete the exchange offer is subject to certain conditions. See The Exchange Offer Conditions to the Exchange Offer. We reserve the right to terminate or amend the exchange offer at any time prior to the expiration date upon the occurrence of certain specified events.
Withdrawal Rights	You may withdraw the tender of your original notes at any time before the expiration of the exchange offer on the expiration date. Any original notes not accepted for any reason will be returned to you without expense as promptly as practicable after the expiration or termination of the exchange offer.
Procedures for Tendering Original Notes	See The Exchange Offer How to Tender.
United States Federal Income Tax Consequences	We believe that the exchange of the original notes for the exchange notes will not be a taxable exchange for U.S. federal income tax purposes and that holders will not recognize any taxable gain or loss as a result of such exchange. See Certain U.S. Federal Income Tax Considerations.
United Kingdom Tax Considerations	We believe that the exchange of the original notes for the exchange notes will not be a taxable exchange for United Kingdom tax purposes and that holders will not recognize any taxable gain or loss as a result of such exchange. See Certain United Kingdom Tax Considerations.
Effect on Holders of Original Notes	If the exchange offer is completed on the terms and within the period contemplated by this prospectus, holders of original notes will have no further registration or other rights under the registration rights agreement, except under limited circumstances. See The Exchange Offer Other.

Holders of original notes who do not tender their original notes will continue to hold those original notes. All untendered, and tendered but unaccepted original notes, will continue to be subject to the transfer restrictions provided for in the original notes and the indenture. To the extent that original notes are tendered and accepted in the exchange offer, the trading market for the original notes could be adversely affected. See Risk Factors Risks Associated with the Exchange Offer You may not be able to sell your original notes if you do not exchange them for registered exchange notes in the exchange offer, Risk Factors Risks associated with the Exchange Offer Your ability to sell your original notes may be significantly more limited and the price at which you may be able to sell your original notes may be significantly lower if you do not exchange them for registered exchange notes in the exchange offer

and The Exchange Offer Other.

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Appraisal Rights	Holders of original notes do not have appraisal or dissenters rights under applicable law or the indenture. See The Exchange Offer Terms of the Exchange Offer.
Use of Proceeds	We will not receive any proceeds from the issuance of the exchange notes pursuant to the exchange offer.
Exchange Agent	The Bank of New York Mellon Trust Company, N.A., the trustee under the indenture, is serving as the exchange agent in connection with this exchange offer.

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Summary of the Terms of the Exchange Notes

Issuer	TransDigm UK Holdings plc, or the Issuer.
Exchange Notes	$500,000,000 aggregate principal amount of 6.875% Senior Subordinated Notes due 2026.
Maturity Date	The notes will mature on May 15, 2026.
Interest	The interest on the notes will accrue at 6.875% per annum, payable semiannually in arrears on May 15 and November 15 and commencing on November 15, 2018.
Guarantees	The notes are fully and unconditionally guaranteed, jointly and severally and on an unsecured senior subordinated basis, by TransDigm Inc., the indirect parent company of the Issuer, TransDigm Group Incorporated, or TD Group, the publicly traded parent company of TransDigm Inc., and, other than immaterial subsidiaries, all of TD Group s existing and future U.S. subsidiaries. TD Group s non-U.S. subsidiaries do not guarantee the notes. As of the date of this prospectus, other than the Issuer, TD Group had 124 foreign subsidiaries (73 of which have immaterial tangible assets and liabilities (excluding intercompany debt)). See Description of the Exchange Notes Ranking Liabilities of Subsidiaries versus Notes and Guarantees.
Ranking	The exchange notes will be our unsecured senior subordinated obligations. After giving effect to the 2019 Transactions, the exchange notes and guarantees will rank:

junior to all of our and the guarantors existing and future senior indebtedness, including any borrowings under TransDigm Inc. s senior secured credit facilities, amounts outstanding under TransDigm Inc. s A/R Facility (as defined below) and the secured notes;

equally in right of payment with any of our and the guarantors existing and future senior subordinated indebtedness, including TransDigm Inc. s $1,150 million aggregate principal amount of 2022 notes issued in June 2014, which we refer to herein as the 2022 notes, TransDigm Inc. s $1,200 million aggregate principal amount of 2024 notes issued in June 2014, which we refer to herein as the 2024 notes, TransDigm Inc. s $450 million aggregate principal amount of 2025 notes issued in May 2015 and $300 million aggregate principal amount of 2025 notes issued in February 2017, which we refer to herein, collectively, as the 2025 notes, TransDigm Inc. s $950 million aggregate principal amount of 2026 notes issued in June 2016, which we refer to herein as the 2026 notes, and the

2027 notes; and

senior in right of payment to any of our and the guarantors future indebtedness that is, by its terms, expressly subordinated in right of payment to the notes.

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	As of December 29, 2018, on a pro forma basis after giving effect to the 2019 Transactions, the notes would have ranked junior in right of payment to $11.9 billion of our senior indebtedness, $11.6 billion of which was secured by substantially all of the assets of TransDigm Inc. and the guarantors and $300 million of which consisted of amounts outstanding under TransDigm Inc. s A/R Facility, which was secured by the trade receivables underlying such facility. None of the foregoing amounts of indebtedness reflect amounts that may be drawn in the future from time to time under TransDigm Inc. s senior secured credit facilities and A/R Facility, which would also be so secured and rank senior in right of payment to the notes.
	In addition, after giving effect to the 2019 Transactions the terms of the notes, the 2022 notes, the 2024 notes, the 2025 notes, the 2026 notes, the 2027 notes and the secured notes would permit us and the guarantors to incur additional senior debt, which could include secured debt.
Optional Redemption	We may at our option redeem the notes at any time and from time to time after issuance, in whole or in part, in cash at the redemption prices described in this prospectus, plus accrued and unpaid interest to the date of redemption. See Description of the Exchange Notes Redemption.
Optional Redemption for Tax Reasons	We may redeem the notes in whole, but not in part, at any time, if as a result of any changes in tax laws or our interpretation, we become obliged to pay any Additional Amounts (as defined in Description of the Exchange Notes Additional Amounts). If we decide to redeem the notes following such change, we must redeem the notes at a price equal to the principal amount of the notes plus accrued and unpaid interest to the date of redemption. See Description of the Exchange Notes Optional Redemption for Tax Reasons
Additional Amounts	All payments made by us or any guarantor with respect to the notes or guarantees will be made without withholding or deduction for taxes unless required by law. If we or any guarantor are required by law to withhold or deduct for such taxes with respect to a payment to the holders of notes, we or the applicable guarantor, as the case may be, will pay such Additional Amounts necessary so that the net amount received by any holder of notes after the withholding or deduction is not less than the amount that such holder would have received in the absence of the withholding or deduction, subject to certain exceptions. See Description of the Exchange Notes Additional Amounts
Change of Control	If a change of control event occurs, each holder of notes will have the right to require us to purchase all or a portion of its notes at a purchase price equal to 101% of the principal amount of the notes, plus accrued and unpaid interest to the date of purchase. See Description of the Exchange Notes Change of Control.

Certain Covenants

The indenture governing the notes contains covenants that, among other things, limit the ability of TransDigm Inc. and its restricted subsidiaries to:

incur or guarantee additional indebtedness or issue preferred stock;

pay distributions on, redeem or repurchase capital stock or redeem or repurchase subordinated debt;

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make investments;

sell assets;

enter into agreements that restrict distributions or other payments from restricted subsidiaries to TransDigm Inc.;

incur or suffer to exist liens securing indebtedness;

consolidate, merge or transfer all or substantially all of our assets;

engage in transactions with affiliates;

create unrestricted subsidiaries; and

engage in certain business activities.

The limitations are subject to a number of important qualifications and exceptions, including a qualification that, upon the achievement and maintenance of a specified financial threshold, most of the limitations on the ability of TransDigm Inc. and its restricted subsidiaries to pay distributions on or redeem or repurchase capital stock, repurchase subordinated debt or make investments will not apply. See Description of the Exchange Notes Certain Covenants.

Covenant Suspension

At any time when the notes are rated investment grade by Moody s Investors Service, Inc., or Moody s Investors Service, and S&P Global Ratings, a division of S&P Global Inc., or S&P Global Ratings, and no default has occurred and is continuing under the indenture, TransDigm Inc. and its restricted subsidiaries will not be subject to many of the foregoing covenants with respect to the notes. However, if TransDigm Inc. and its restricted

subsidiaries are not subject to such covenants and, on any subsequent date, one or both of such rating agencies withdraws its investment grade ratings assigned to such notes or downgrades the rating assigned to such notes below an investment grade rating, or if a default or event of default occurs and is continuing, then TransDigm Inc. and its restricted subsidiaries will again become subject to such covenants. See Description of the Exchange Notes Certain Covenants.

In addition, subject to certain exceptions, if either TransDigm Inc. or TD Group is acquired by an entity that has received an investment grade rating from both Moody s Investors Service and S&P Global Ratings, and such entity files current and periodic reports with the SEC, the requirement in the indenture governing the notes that either TransDigm Inc. or TD Group file current and periodic reports with the SEC will be suspended. See Description of the Exchange Notes Certain Covenants.

Listing

It is intended that application will be made to the Irish Stock Exchange trading as Euronext Dublin for the exchange notes to be admitted to the Official List and trading on the Global Exchange Market of Euronext Dublin. The Global Exchange Market is not a regulated market for the purposes of Directive 2004/39/EC. There is no assurance that the exchange notes will be listed on the Official List of Euronext Dublin or admitted to trading on the Global Exchange Market thereof.

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Use of Proceeds	We will not receive any proceeds from the issuance of the exchange notes pursuant to the exchange offer.
Trustee	The Bank of New York Mellon Trust Company, N.A. is the trustee for the holders of the notes.
Governing Law	The notes, the indenture and the other documents for the offering of the exchange notes are governed by the laws of the State of New York.

For additional information about the notes, see the section of this prospectus entitled Description of the Exchange Notes.

Regulatory Approvals

Other than the federal securities laws, there are no federal or state regulatory requirements that we must comply with and there are no approvals that we must obtain in connection with the exchange offer.

Risk Factors

Participating in the exchange offer involves certain risks. You should carefully consider the information under Risk Factors and in Item 1A Risk Factors in our Annual Report on Form 10-K for the year ended September 30, 2018 and all other information included or incorporated by reference in this prospectus before participating in the exchange offer.

Principal Offices

Our executive offices are located at 1301 East 9th Street, Suite 3000, Cleveland, Ohio 44114 and our telephone number is (216) 706-2960. Our website address is http://www.transdigm.com. Our website and the information contained on, or that can be accessed through, our website are not part of this prospectus.

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RISK FACTORS

Participating in the exchange offer involves risks. You should carefully consider the risks described below and in Item 1A Risk Factors in our Annual Report on Form 10-K for the year ended September 30, 2018, together with the other information contained or incorporated by reference in this prospectus, before you decide to participate in the exchange offer. Any of the following risks, as well as other risks and uncertainties, could harm the value of the notes, directly, or our business and financial results, and thus indirectly cause the value of the notes to decline. The risks described below are not the only ones that could impact our company or the value of the notes. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial may also materially and adversely affect our business, financial condition or results of operations. As a result of any of these risks, known or unknown, you may lose all or part of your investment in the notes.

Risks Relating to the Notes

Our substantial indebtedness could adversely affect our financial health and could harm our ability to react to changes in our business and prevent us from fulfilling our obligations under our indebtedness, including the notes.

We have a significant amount of indebtedness. As of December 29, 2018, our total indebtedness, excluding approximately $16.1 million of letters of credit outstanding, was approximately $12.9 billion, which was approximately 115% of our total book capitalization as a result of our prior year special dividends being funded, in part, with indebtedness and the addition of approximately $1.1 billion in net new incremental borrowings during fiscal 2018. As of December 29, 2018, on a pro forma basis after giving effect to the 2019 Transactions, our outstanding indebtedness would have been approximately $16.9 billion. Accordingly, indebtedness would represent approximately 112% of our total capitalization as of December 29, 2018 on a pro forma basis after giving effect to the 2019 Transactions.

Our substantial level of indebtedness increases the possibility that we may be unable to generate cash sufficient to pay, when due, the principal of, interest on or other amounts due in respect of our indebtedness, including the notes, the 2022 notes, the 2024 notes, the 2025 notes, the 2026 notes, the 2027 notes and the secured notes. Our substantial debt could also have other important consequences to investors. For example, it could:

- increase our vulnerability to general economic downturns and adverse competitive and industry conditions;
- increase the risk we are subjected to downgrade or put on a negative watch by the ratings agencies;
- require us to dedicate a substantial portion of our cash flow from operations to payments on our indebtedness, thereby reducing the availability of our cash flow to fund working capital requirements, capital expenditures, acquisitions, research and development efforts and other general corporate purposes;
- limit our flexibility in planning for, or reacting to, changes in our business and the industry in which we operate;

place us at a competitive disadvantage compared to competitors that have less debt; and

limit, along with the financial and other restrictive covenants contained in the documents governing our indebtedness, among other things, our ability to borrow additional funds, make investments and incur liens.

In addition, all of our debt under the senior secured credit facilities, which, as of December 29, 2018, included $7.6 billion in term loans, $583.9 million of commitments under our revolving loan facility that

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remained undrawn and the $350 million A/R Facility, which had $50 million in unused capacity, bears interest at floating rates. Accordingly, in the event that interest rates increase, our debt service expense will also increase. At December 29, 2018, four interest rate swap agreements were in place to hedge the variable interest rates on the Tranche G term loans for a fixed rate based on an aggregate notional amount of $500 million through December 31, 2021, on an aggregate notional amount of $400 million through September 30, 2022, on an aggregate notional amount of $900 million from December 31, 2021 through June 28, 2024 and on an aggregate notional amount of $400 million from September 30, 2022 through June 28, 2024. Also, one interest rate cap agreement was in place to offset the variable interest rates on the Tranche G term loans based on an aggregate notional amount of $400 million through December 30, 2021. At December 29, 2018, three interest rate swap agreements were in place to hedge the variable interest rates on the Tranche F term loans for a fixed rate based on an aggregate notional amount of $1,000 million through June 28, 2019, on an aggregate notional amount of $1,000 million from June 28, 2019 through June 30, 2021 and on an aggregate notional amount of $1,400 million from June 30, 2021 through March 31, 2023. Also, one interest rate cap agreement was in place to offset the variable interest rates on the Tranche F term loans based on an aggregate notional amount of $400 million through June 30, 2021. At December 29, 2018, four interest rate swap agreements were in place to hedge the variable interest rates on the Tranche E term loans for a fixed rate based on an aggregate notional amount of $750 million through June 30, 2020, on an aggregate notional amount of $500 million through March 31, 2025, on an aggregate notional amount of $750 million from June 30, 2020 through June 30, 2022 and on an aggregate notional amount of $1,500 million from June 30, 2022 through March 31, 2025. Finally, two interest rate cap agreements were in place to offset the variable interest rates on the Tranche E term loans based on an aggregate notional amount of $750 million through June 30, 2020 and on an aggregate notional amount of $750 million from June 30, 2020 through June 30, 2022. We cannot assure you that our business will generate sufficient cash flow from operations or that future borrowings will be available to us under our credit facilities or otherwise in amounts sufficient to enable us to service our indebtedness. If we cannot service our debt, we will have to take actions such as reducing or delaying capital investments, selling assets, restructuring or refinancing our debt or seeking additional equity capital.

Despite current indebtedness levels, we and our subsidiaries may still be able to incur substantially more debt. This could further exacerbate the risks associated with our substantial leverage.

We and our subsidiaries may be able to incur substantial additional indebtedness in the future. For example, as of December 29, 2018, after giving effect to the 2019 Transactions we would have had approximately $583.9 million of unused commitments under our revolving loan facility and $50 million of unused capacity under our A/R Facility (with the availability of such capacity being dependent on the amount of our outstanding trade receivables). Although the indentures governing the notes, the 2022 notes, the 2024 notes, the 2025 notes, the 2026 notes, the 2027 notes, the secured notes and our senior secured credit facilities contain restrictions on the incurrence of additional indebtedness, these restrictions are subject to a number of significant qualifications and exceptions, and the indebtedness incurred in compliance with these qualifications and exceptions could be substantial. Upon consummation of the 2019 Transactions, we expect to have capacity to incur additional indebtedness, which could be in the form of senior secured indebtedness.

Any additional borrowings could be senior to the notes and the related guarantees. If we incur additional debt, the risks associated with our substantial leverage would increase.

To service our indebtedness, we will require a significant amount of cash. Our ability to generate cash depends on many factors beyond our control, and any failure to meet our debt service obligations could harm our business, financial condition and results of operations.

Our ability to make payments on and to refinance our indebtedness, including the notes, the 2022 notes, the 2024 notes, the 2025 notes, the 2026 notes, the 2027 notes, the secured notes, amounts borrowed under the senior secured credit facilities and amounts due under our A/R Facility, and to fund our operations, will depend on our ability to generate cash in the future, which, to a certain extent, is subject to general economic, financial, competitive, legislative, regulatory and other factors that are beyond our control.

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We cannot assure you, however, that our business will generate sufficient cash flow from operations, that currently anticipated cost savings and operating improvements will be realized on schedule or at all or that future borrowings will be available to us under the senior secured credit facilities or otherwise in amounts sufficient to enable us to service our indebtedness, including the notes, the 2022 notes, the 2024 notes, the 2025 notes, the 2026 notes, the 2027 notes, the secured notes, amounts borrowed under the senior secured credit facilities and amounts due under our A/R Facility, or to fund our other liquidity needs. If we cannot service our debt, we will have to take actions such as reducing or delaying capital investments, selling assets, restructuring or refinancing our debt or seeking additional equity capital. We cannot assure you that any of these remedies could, if necessary, be effected on commercially reasonable terms, or at all. Our ability to restructure or refinance our debt will depend on the condition of the capital markets and our financial condition at such time. Any refinancing of our debt could be at higher interest rates and may require us to comply with more onerous covenants, which could further restrict our business operations. The terms of existing or future debt instruments, the indentures governing the notes, the 2022 notes, the 2024 notes, the 2025 notes, the 2026 notes, the 2027 notes and the secured notes and the senior secured credit facilities may restrict us from adopting any of these alternatives. In addition, any failure to make payments of interest and principal on our outstanding indebtedness on a timely basis would likely result in a reduction of our credit rating, which could harm our ability to incur additional indebtedness on acceptable terms and would otherwise adversely affect the notes.

Repayment of our debt, including the notes, is dependent on cash flow generated by our subsidiaries.

Our subsidiaries own a significant portion of our assets and conduct a significant portion of our operations. Accordingly, repayment of our indebtedness, including the notes, is dependent, to a significant extent, on the generation of cash flow by our subsidiaries and their ability to make such cash available to us, by dividend, debt repayment or otherwise. Unless they are guarantors of the notes, our subsidiaries do not have any obligation to pay amounts due on the notes or to make funds available for that purpose. Our subsidiaries may not be able to, or may not be permitted to, make distributions to enable us to make payments in respect of our indebtedness, including the notes. Each subsidiary is a distinct legal entity and, under certain circumstances, legal and contractual restrictions may limit our ability to obtain cash from our subsidiaries. While the indenture governing the notes limits the ability of our subsidiaries to incur consensual restrictions on their ability to pay dividends or make other intercompany payments to us, these limitations are subject to certain qualifications and exceptions. In the event that we do not receive distributions from our subsidiaries, we may be unable to make required principal and interest payments on our indebtedness, including the notes.

The terms of the senior secured credit facilities and the indentures relating to the 2022 notes, the 2024 notes, the 2025 notes, the 2026 notes, the 2027 notes, the secured notes and the notes may restrict our current and future operations, particularly our ability to respond to changes or to take certain actions.

Our senior secured credit facilities and the indentures governing the 2022 notes, the 2024 notes, the 2025 notes, the 2026 notes, the 2027 notes, the secured notes and the notes contain a number of restrictive covenants that impose significant operating and financial restrictions on the Company and may limit our ability to engage in acts that may be in our long-term best interests. The senior secured credit facilities and indentures include covenants restricting, among other things, our ability to (subject, in each case, to certain important exceptions):

- incur or guarantee additional indebtedness or issue preferred stock;

- pay distributions on, redeem or repurchase our capital stock or redeem or repurchase our subordinated debt;

make investments;

sell assets;

enter into agreements that restrict distributions or other payments from our restricted subsidiaries to us;

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incur or allow to exist liens;

consolidate, merge or transfer all or substantially all of our assets;

engage in transactions with affiliates;

create unrestricted subsidiaries; and

engage in certain business activities.

While, as noted above, the indentures restrict our ability to pay distributions on, redeem or repurchase our capital stock or redeem or repurchase our subordinated debt, we may take such actions pursuant to certain exceptions, including the ability to do so through capacity that builds up based, generally, on 50% of the amount of our consolidated net income earned from October 1, 2010. Moreover, we may also take such actions at any time when, after giving effect to such actions, our fixed charge coverage ratio exceeds 2.0 to 1.0.

In addition, if the usage of our revolving loan facility exceeds 25% of the total revolving commitments, we will be required to maintain a maximum consolidated net leverage ratio of net debt, as defined, to trailing four quarter Consolidated EBITDA (as defined in the agreement governing the revolving credit facility).

A breach of any of these covenants could result in a default under the senior secured credit facilities or the 2022 notes, the 2024 notes, the 2025 notes, the 2026 notes, the 2027 notes, the secured notes and the notes. If any such default occurs, the lenders under the senior secured credit facilities and the holders of the 2022 notes, the 2024 notes, the 2025 notes, the 2026 notes, the 2027 notes, the secured notes and the notes may elect to declare all outstanding borrowings, together with accrued interest and other amounts payable thereunder, to be immediately due and payable. The lenders under the senior secured credit facilities also have the right in these circumstances to terminate any commitments they have to provide further borrowings. In addition, following an event of default under the senior secured credit facilities or the secured notes, the lenders thereunder or the holders thereof, as applicable, will have the right to proceed against the collateral granted to them to secure the debt, which includes our available cash, and they will also have the right to prevent us from making debt service payments on the notes. If the debt under the senior secured credit facilities, the 2022 notes, the 2024 notes, the 2025 notes, the 2026 notes, the 2027 notes, the secured notes or the notes were to be accelerated, we cannot assure you that our assets would be sufficient to repay in full the notes and our other debt.

Many of the covenants in the indenture governing the notes will not be applicable during any period when the notes are rated investment grade by Moody s Investors Service and S&P Global Ratings and no default has occurred and is continuing.

Many of the covenants contained in the indenture governing the notes will not apply during any period when the notes are rated investment grade by both Moody s Investors Service and S&P Global Ratings and no default has occurred and is continuing. These covenants restrict, among other things, the ability of TransDigm Inc. and its restricted subsidiaries to incur or guarantee additional indebtedness or issue preferred stock, to pay distributions on, redeem or repurchase capital stock or redeem or repurchase subordinated debt, sell assets, consolidate, merge or transfer all or substantially all of our assets and enter into certain other transactions. We cannot predict if the notes will ever be rated investment grade or, if they are in the future rated investment grade, that the notes will maintain such rating. However, suspension of these covenants would allow TransDigm Inc. and its restricted subsidiaries to engage in certain actions

that would not have been permitted were these covenants in force, and the effects of any such actions that TransDigm Inc. and its restricted subsidiaries take while these covenants are not in force will be permitted to remain in place even if the notes are subsequently downgraded below investment grade and the covenants are reinstated.

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Your right to receive payments on the notes will be subordinated to the borrowings under the senior secured credit facilities and A/R Facility and possibly all of our future borrowings. Further, the guarantees of the notes are junior in right of payment to all of the guarantors existing senior indebtedness and possibly to all of the guarantors future borrowings.

The notes and the guarantees rank in right of payment behind all of our and the guarantors existing senior indebtedness, including borrowings under the senior secured credit facilities and A/R Facility, and will rank in right of payment behind all of our and the guarantors future borrowings, in each case, except any future indebtedness that expressly provides that it ranks equal in right of payment with, or junior in right of payment to, the notes and the guarantees, as applicable. We also may be able to incur substantial additional indebtedness, including senior indebtedness, in the future.

As a result of this subordination, upon any distribution to our creditors or the creditors of the guarantors in a bankruptcy, liquidation or reorganization or similar proceeding relating to us or the guarantors or our or their property, the holders of our senior debt and the senior debt of the guarantors will be entitled to be paid in full and in cash before any payment may be made with respect to the notes or the guarantees.

In the event of a bankruptcy, liquidation or reorganization or similar proceeding relating to us or the guarantors, holders of the notes will participate with the trade creditors and all other holders of our and the guarantors senior subordinated indebtedness in the assets remaining after we and the guarantors have paid all of the senior indebtedness. However, because each indenture governing the notes requires that amounts otherwise payable to holders of the notes in a bankruptcy or similar proceeding be paid to holders of senior indebtedness instead, holders of the notes may receive less, ratably, than holders of trade payables or other unsecured, unsubordinated creditors in any such proceeding. In any of these cases, we and the guarantors may not have sufficient funds to pay all of our creditors, and holders of the notes may receive less, ratably, than the holders of senior indebtedness.

The notes are not secured by our assets or those of the guarantors, and the lenders under our senior secured credit facilities and A/R Facility will be entitled to remedies available to a secured lender, which gives them priority over you to collect amounts due to them.

In addition to being contractually subordinated in right of payment to all our existing and future senior debt, the notes and the guarantees will not be secured by any of our assets or any of the assets of the guarantors. Our obligations under the senior secured credit facilities are secured by, among other things, a first priority pledge of all of TransDigm Inc. s and its subsidiaries capital stock (subject to customary exceptions), substantially all of our assets and substantially all of the assets of the guarantors. In addition, our obligations under our A/R Facility are secured by the assets underlying such facility. If we become insolvent or are liquidated, or if payment under the senior secured credit facilities or A/R Facility or in respect of any other secured indebtedness is accelerated, the lenders under the senior secured credit facilities or A/R Facility or the holders of other secured indebtedness will be entitled to exercise the remedies available to a secured lender under applicable law (in addition to any remedies that may be available under the documents pertaining to the senior secured credit facilities or A/R Facility or other secured debt). Upon the occurrence of any default under the senior secured credit facilities (and even without accelerating the indebtedness under the senior secured credit facilities), the lenders may be able to prohibit the payment of the notes and guarantees either by limiting our ability to access our cash flow or under the subordination provisions contained in the indenture governing the notes. Moreover, the special purpose entity, or SPE, established in connection with our A/R Facility that holds the trade receivables underlying such facility is a separate legal entity, is not a guarantor, and has its own separate creditors who, upon the termination of our A/R Facility, will have the right to receive the assets of the SPE and such assets will not be available to satisfy obligations under the notes or the guarantees. See Description of the Exchange Notes Ranking Subordination; Payment of Notes and Description of Other Indebtedness A/R Facility.

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Federal and state fraudulent transfer laws permit a court to void the notes and the guarantees, and if that occurs, you may not receive any payments on the notes.

Our issuance of the notes and the issuance of the guarantees by the guarantors may be subject to review under federal and state fraudulent transfer and conveyance statutes if a bankruptcy, liquidation or reorganization case or a lawsuit, including circumstances in which bankruptcy is not involved, were commenced at some future date by, or on behalf of, our unpaid creditors or unpaid creditors of the guarantors. While the relevant laws may vary from state to state, under such laws, the issuance of the notes and the guarantees and the application of the proceeds therefrom will be a fraudulent conveyance if (1) we issued the notes and the guarantees with the intent of hindering, delaying or defrauding creditors or (2) we or any of the guarantors, as applicable, received less than reasonably equivalent value or fair consideration in return for issuing either the notes or a guarantee, and, in the case of clause (2) only, one of the following is true:

- we or any of the guarantors were or was insolvent, or rendered insolvent, by reason of such transactions;
- we or any of the guarantors were or was engaged in a business or transaction for which our or the applicable guarantor s assets constituted unreasonably small capital; or
- we or any of the guarantors intended to, or believed that we or it would, be unable to pay debts as they matured.

If a court were to find that the issuance of the notes or a guarantee was a fraudulent conveyance, the court could void the payment obligations under the notes or such guarantee or subordinate the notes or such guarantee to presently existing and future indebtedness of ours or of the applicable guarantor, or require the holders of the notes to repay any amounts received with respect to the notes or such guarantee. In the event of a finding that a fraudulent conveyance occurred, you may not receive any payment on the notes.

The measures of insolvency for purposes of fraudulent transfer laws vary depending upon the governing law. Generally, an entity would be considered insolvent if, at the time it incurred indebtedness:

- the sum of its debts was greater than the fair value of all its assets;
- the present fair saleable value of its assets is less than the amount required to pay the probable liability on its existing debts and liabilities as they become due; or
- it cannot pay its debts as they become due.

A court would likely find that a guarantor that is a subsidiary of TransDigm Inc. did not receive reasonably equivalent value or fair consideration for its guarantee if such guarantor did not substantially benefit directly or indirectly from the issuance of the notes. Each such guarantee contains a provision intended to limit such guarantor s liability to the maximum amount that it could incur without causing the incurrence of obligations under such guarantee to be a

fraudulent transfer. This provision may not be effective to protect such guarantees from being voided under fraudulent transfer laws.

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

You will have the benefit of the guarantees of the guarantors. The guarantees of the guarantors, however, are limited to the maximum amount that the guarantors are permitted to guarantee under applicable law. As a result, a guarantor s liability under its guarantee could be reduced to zero, depending upon the amount of other obligations of such guarantor. Furthermore, a court under federal and state fraudulent conveyance and transfer statutes could void the obligations under a guarantee or further subordinate it to all other obligations of the applicable guarantor. See Federal and state fraudulent transfer laws permit a court to void the notes and the

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guarantees, and if that occurs, you may not receive any payments on the notes. In addition, you will lose the benefit of a particular guarantee if it is released under certain circumstances described under Description of the Exchange Notes Guarantees.

You cannot be sure that an active trading market will be developed for the exchange notes.

Although the Issuer will use its commercially reasonable best efforts to have the exchange notes listed on the Official List of the Irish Stock Exchange and admitted to trading on the Global Exchange Market, we cannot assure you that the exchange notes will become or will remain listed and an active trading market for the exchange notes may not develop, in which case the market price and liquidity of the exchange notes may be adversely affected.

In addition, you may not be able to sell your exchange notes at a particular time or at a price favorable to you. Future trading prices of the exchange notes will depend on many factors, including:

- our operating performance and financial condition;
- our prospects or the prospects for companies in our industry generally;
- the interest of securities dealers in making a market in the notes;
- our ability to complete the offer to exchange the original notes for exchange notes or to register the original notes for resale;
- change in government regulations;
- the market for similar securities; and
- prevailing interest rates.

Historically, the market for non-investment grade debt has been subject to disruptions that have caused volatility in prices. It is possible that the market for the exchange notes will be subject to disruptions. A disruption may have a negative effect on you as a holder of the exchange notes, regardless of our prospects or performance.

Although the initial purchasers of the original notes have advised us that they intend to make a market in the exchange notes, they are not obligated to do so. The initial purchasers may also discontinue any market making activities at any time, in their sole discretion, which could further negatively impact your ability to sell the exchange notes or the prevailing market price at the time you choose to sell.

We may not be able to fulfill our repurchase obligations in the event of a change of control.

Except in limited circumstances specified in each indenture, upon the occurrence of any change of control, we will be required to make a change of control offer to repurchase the notes, the 2022 notes, the 2024 notes, the 2025 notes, the 2026 notes the 2027 notes and the secured notes. Upon the occurrence of a change of control, we would also be required to repay all of the indebtedness outstanding under the senior secured credit facilities. Also, as the senior secured credit facilities will generally prohibit us from purchasing any notes, if we do not repay all borrowings under the senior secured credit facilities first or obtain the consent of the lenders thereunder, we will be prohibited from purchasing the notes upon a change of control.

In addition, if a change of control occurs, there can be no assurance that we will have available funds sufficient to pay the change of control purchase price for any of the notes that might be delivered by holders of the notes seeking to accept the change of control offer, and, accordingly, none of the holders of the notes may receive the change of control purchase price for their notes. Our failure to make the change of control offer or to pay the change of control purchase price when due would result in a default under the indenture governing the notes. See Description of the Exchange Notes Events of Default.

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Risks Associated with the Exchange Offer

You may not be able to sell your original notes if you do not exchange them for registered exchange notes in the exchange offer.

If you do not exchange your original notes for exchange notes in the exchange offer, your original notes will continue to be subject to the restrictions on transfer as stated in the legends on the original notes. In general, you may not offer, sell or otherwise transfer the original notes in the United States unless they are:

registered under the Securities Act;

offered or sold under an exemption from the Securities Act and applicable state securities laws; or

offered or sold in a transaction not subject to the Securities Act and applicable state securities laws.

Currently, we do not anticipate that we will register the original notes under the Securities Act. Except for limited instances involving the initial purchasers or holders of original notes who are not eligible to participate in the exchange offer or who receive freely transferable exchange notes in the exchange offer, we will not be under any obligation to register the original notes under the Securities Act pursuant to the registration rights agreement or otherwise. Also, if the exchange offer is completed on the terms and within the time period contemplated by this prospectus, no liquidated damages will be payable on your original notes.

Your ability to sell your original notes may be significantly more limited and the price at which you may be able to sell your original notes may be significantly lower if you do not exchange them for registered exchange notes in the exchange offer.

To the extent that original notes are exchanged in the exchange offer, the trading market for the original notes that remain outstanding may be significantly more limited. As a result, the liquidity of the original notes not tendered for exchange in the exchange offer could be adversely affected. The extent of the market for original notes will depend upon a number of factors, including the number of holders of original notes remaining outstanding and the interest of securities firms in maintaining a market in the original notes. An issue of securities with a similar outstanding market value available for trading, which is called the float, may command a lower price than would be comparable to an issue of securities with a greater float. As a result, the market price for original notes that are not exchanged in the exchange offer may be affected adversely to the extent that original notes exchanged in the exchange offer reduce the float. The reduced float also may make the trading price of the original notes that are not exchanged more volatile.

Some holders who exchange their original notes may be deemed to be underwriters.

If you exchange your original notes in the exchange offer for the purpose of participating in a distribution of the exchange notes, you may be deemed to have received restricted securities and, if so, will be required to comply with the registration and prospectus delivery requirements of the Securities Act in connection with any resale transaction.

We will not accept your original notes for exchange if you fail to follow the exchange offer procedures and, as a result, your original notes will continue to be subject to existing transfer restrictions and you may not be able to sell your original notes.

We will issue exchange notes as part of the exchange offer only after a timely receipt of your original notes, a properly completed and duly executed letter of transmittal and all other required documents. Therefore, if you want to tender your original notes, please allow sufficient time to ensure timely delivery. If we do not receive your original notes, letter of transmittal and other required documents by the expiration date of the exchange offer, we will not accept your original notes for exchange. We are under no duty to give notification of defects or

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irregularities with respect to the tenders of original notes for exchange. If there are defects or irregularities with respect to your tender of original notes, we will not accept your original notes for exchange. See The Exchange Offer.

The market price for the exchange notes may be volatile.

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

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SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus, including the documents incorporated by reference herein, contains both historical and forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended, or the Exchange Act, and 27A of the Securities Act. All statements other than statements of historical fact included or incorporated by reference in this prospectus that address activities, events or developments that we expect, believe or anticipate will or may occur in the future are forward-looking statements, including, in particular, the statements about our plans, objectives, strategies and prospects regarding, among other things, our financial condition, results of operations and business. We have identified some of these forward-looking statements with words like believe, may, will, should, expect, intend, plan, predict, anticipate, estimate or continue and other words and terms meaning. These forward-looking statements may be contained throughout this prospectus and the documents incorporated by reference herein. These forward-looking statements are based on current expectations about future events affecting us and are subject to uncertainties and factors relating to, among other things, our operations and business environment, all of which are difficult to predict and many of which are beyond our control. Many factors mentioned in our discussion in this prospectus, including the risks outlined under Risk Factors, in this prospectus and in our Annual Report on Form 10-K and the documents otherwise incorporated by reference herein will be important in determining future results. Although we believe that the expectations reflected in these forward-looking statements are reasonable, we do not know whether our expectations will prove correct. They can be affected by inaccurate assumptions we might make or by known or unknown risks and uncertainties, including those described under Risk Factors in this prospectus and in our Annual Report on Form 10-K and the documents incorporated by reference herein. Since our actual results, performance or achievements could differ materially from those expressed in, or implied by, these forward-looking statements, we cannot give any assurance that any of the events anticipated by these forward-looking statements will occur or, if any of them does occur, what impact they will have on our business, results of operations and financial condition. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date they are made. We do not undertake any obligation to update these forward-looking statements or the risk factors contained or incorporated herein by reference in this prospectus to reflect new information, future events or otherwise, except as may be required under federal securities laws.

Important factors that could cause actual results to differ materially from the forward-looking statements made in this prospectus and the documents incorporated by reference herein include but are not limited to: the sensitivity of our business to the number of flight hours that our customers planes spend aloft and our customers profitability, both of which are affected by general economic conditions; future geopolitical or other worldwide events; cyber-security threats and natural disasters; our reliance on certain customers; the U.S. defense budget and risks associated with being a government supplier; failure to maintain government or industry approvals; failure to complete or successfully integrate acquisitions, including our acquisition of Esterline; our indebtedness; potential environmental liabilities; liabilities arising in connection with litigation; increases in raw material costs, taxes and labor costs that cannot be recovered in product pricing; risks and costs associated with our international sales and operations; and other factors. Please refer to Risk Factors in this prospectus and in our Annual Report on Form 10-K and the documents otherwise incorporated herein by reference for additional information regarding the foregoing factors that may affect our business.

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USE OF PROCEEDS

We will not receive any proceeds from the issuance of exchange notes in the exchange offer. The exchange notes will evidence the same debt as the original notes tendered in exchange for the exchange notes. Accordingly, the issuance of the exchange notes will not result in any change in our indebtedness.

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THE EXCHANGE OFFER

Purpose of the Exchange Offer

On May 8, 2018, we issued the original notes in a transaction exempt from registration under the Securities Act. Accordingly, the original notes may not be reoffered, resold or otherwise transferred in the United States, unless so registered or unless an exemption from the Securities Act registration requirements is available. Pursuant to the registration rights agreement entered into with the initial purchasers of the original notes, we and the guarantors agreed, for the benefit of holders of the original notes, to:

- no later than 255 days (or if the 255th day is not a business day, the first business day thereafter) after the date of original issue of the original notes, file a registration statement with the SEC with respect to a registered offer to exchange the original notes for exchange notes that will be issued under the same indenture, in the same aggregate principal amount as and with terms that are identical in all material respects to the original notes, except that they will not contain terms with respect to transfer restrictions; and

- use our reasonable best efforts to cause the registration statement to be declared effective under the Securities Act within 345 days (or if the 345th day is not a business day, the first business day thereafter) after the date of original issue of the original notes; and

- consummate the exchange offer within 385 days (or if the 385th day is not a business day, the first business day thereafter) after the date of original issue of the original notes.

For each original note tendered to us pursuant to the exchange offer, we will issue to the holder of such original note an exchange note having a principal amount equal to that of the surrendered original note. Interest on each exchange note will accrue from the last interest payment date on which interest was paid on the original note surrendered in exchange therefor, or, if no interest has been paid on such original note, from the date of its original issue.

Under existing SEC interpretations, the exchange notes will be freely transferable by holders other than our affiliates after the exchange offer without further registration under the Securities Act if the holder of the exchange notes represents to us in the exchange offer that it is acquiring the exchange notes in the ordinary course of its business, that it has no arrangement or understanding with any person to participate in the distribution of the exchange notes and that it is not an affiliate of ours, as such terms are interpreted by the SEC; provided, however, that broker-dealers, or Participating Broker-Dealers, receiving exchange notes in the exchange offer will have a prospectus delivery requirement with respect to resales of such exchange notes. The SEC has taken the position that Participating Broker-Dealers may fulfill their prospectus delivery requirements with respect to exchange notes (other than a resale of an unsold allotment from the original sale of the original notes) with the prospectus contained in the exchange offer registration statement.

Under the registration rights agreement, we are required to allow Participating Broker-Dealers and other persons, if any, with similar prospectus delivery requirements to use the prospectus contained in the exchange offer registration statement in connection with the resale of such exchange notes for 180 days following the effective date of such registration statement (or such shorter period during which Participating Broker-Dealers are required by law to deliver such prospectus).

A holder of original notes (other than certain specified holders) who wishes to exchange such original notes for exchange notes in the exchange offer will be required to represent that any exchange notes to be received by it will be acquired in the ordinary course of its business and that at the time of the commencement of the exchange offer it has no arrangement or understanding with any person to participate in the distribution (within the meaning of the Securities Act) of the exchange notes and that it is not an affiliate of ours, as defined in Rule 405 of the Securities Act, or if it is an affiliate, that it will comply with the registration and prospectus delivery requirements of the Securities Act to the extent applicable.

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Each broker-dealer that receives exchange notes for its own account in exchange for original notes, where such original notes were acquired by such broker-dealer as a result of market-making activities or other trading activities, must acknowledge that it will deliver a prospectus in connection with any resale of such exchange notes. See Plan of Distribution.

Shelf Registration Statement

With respect to the notes, in the event that:

(1) because of any change in law or in applicable interpretations of the staff of the SEC, we are not permitted to effect the exchange offer;

(2) we do not consummate the exchange offer within 385 days (or if the 385th day is not a business day, the first business day thereafter) of the date of original issue of the original notes;

(3) an initial purchaser notifies us following consummation of the exchange offer that original notes held by it are not eligible to be exchanged for exchange notes in the exchange offer; or

(4) certain holders are not eligible to participate in the exchange offer, or certain holders participate in the exchange offer but do not receive freely tradeable securities on the date of the exchange,

then, we will, subject to certain exceptions,

(x) promptly file a shelf registration statement, or the Shelf Registration Statement, with the SEC covering resales of such original notes or the exchange notes, as the case may be;

(y) (A) in the case of clause (1) above, use our reasonable best efforts to cause the Shelf Registration Statement to be declared effective under the Securities Act on or prior to the 345th day after the date of original issue of the original notes and (B) in the case of clause (2), (3) or (4) above, use our reasonable best efforts to cause the Shelf Registration Statement to be declared effective under the Securities Act on or prior to the 60th day after the date on which the Shelf Registration Statement is required to be filed; and

(z) We have agreed to use our reasonable best efforts to keep the Shelf Registration Statement effective for a period of two years from the date of original issue of the original notes or such shorter period that will terminate when all of the securities covered by the Shelf Registration Statement (A) have been sold pursuant thereto or (B) are no longer restricted securities under Rule 144 of the Securities Act.

We will, in the event a Shelf Registration Statement is filed, among other things, provide to each holder for whom such Shelf Registration Statement was filed copies of the prospectus which is a part of the Shelf Registration Statement, notify each such holder when the Shelf Registration Statement has become effective and take certain other actions as are required to permit unrestricted resales of the original notes or the exchange notes, as the case may be. A holder selling such original notes or exchange notes pursuant to the Shelf Registration Statement generally would be required to be named as a selling security holder in the related prospectus and to deliver a prospectus to purchasers, will be subject to certain of the civil liability provisions under the Securities Act in connection with such sales and will be bound by the provisions of the registration rights agreement (including certain indemnification obligations).

Liquidated Damages

With respect to the notes, we will pay additional cash interest on such notes that remain transfer restricted, subject to certain exceptions, upon the occurrence of any of the following events:

(1) if we fail to file an exchange offer registration statement with the SEC on or prior to January 18, 2019;

(2) if obligated to file the Shelf Registration Statement as provided above, we fail to file the Shelf Registration Statement with the SEC on or prior to the 60th day, or the Shelf Filing Date, after the date on which the obligation to file a Shelf Registration Statement arises;

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(3) if neither the exchange offer registration statement nor, if required in lieu thereof, the Shelf Registration Statement, is declared effective by the SEC on or prior to April 18, 2019;

(4) if the exchange offer is not consummated on or before the 40th day after the exchange offer registration statement is declared effective;

(5) if obligated to file the Shelf Registration Statement as provided above, the Shelf Registration Statement is not declared effective on or prior to the 60th day after the Shelf Filing Date; or

(6) after the exchange offer registration statement or the Shelf Registration Statement, as the case may be, is declared effective, such registration statement thereafter ceases to be effective or usable due to the reasons specified in the registration rights agreement, subject to certain exceptions.

Each such event referred to in the preceding clauses (1) through (6) is referred to herein as a Registration Default. Additional cash interest on the transfer restricted notes will be payable from and including the date on which any such Registration Default shall occur to but excluding the date on which all Registration Defaults have been cured.

The rate of the additional interest will be $0.05 per week per $1,000 principal amount of notes for the first 90-day period immediately following the occurrence of a Registration Default, and such rate will increase by an additional $0.05 per week per $1,000 principal amount of notes with respect to each subsequent 90-day period until all Registration Defaults have been cured, up to a maximum additional interest rate of 1.0% per annum. We will pay such additional interest on regular interest payment dates. Such additional interest will be in addition to any other interest payable from time to time with respect to the original notes and the exchange notes.

We will be entitled to consummate the exchange offer on the expiration date, provided that we have accepted all original notes previously validly tendered in accordance with the terms set forth in this prospectus and the applicable letter of transmittal.

Expiration Date; Extensions; Termination; Amendments

The exchange offer expires on the expiration date. The expiration date is 5:00 p.m., New York City time, on May 9, 2019, unless we, in our sole discretion, extend the period during which the exchange offer is open, in which event the expiration date is the latest time and date on which the exchange offer, as so extended by us, expires. We reserve the right to extend the exchange offer with respect to the notes at any time and from time to time prior to the expiration date by giving written notice to The Bank of New York Mellon Trust Company, N.A., as the exchange agent, and by timely public announcement communicated in accordance with applicable law or regulation. During any extension of the exchange offer, all original notes previously tendered pursuant to the exchange offer and not validly withdrawn will remain subject to the exchange offer.

The exchange date will occur promptly after the expiration date. We expressly reserve the right to:

terminate the exchange offer and, not accept for exchange any original notes for any reason, including if any of the events set forth below under Conditions to the Exchange Offer shall have occurred and shall not have been waived by us; and

amend the terms of the exchange offer in any manner, whether before or after any tender of the original notes.

If any such termination or amendment occurs, we will notify the exchange agent in writing and either will issue a press release or will give written notice to the holders of the original notes as promptly as practicable. Unless we terminate the exchange offer prior to 5:00 p.m., New York City time, on the expiration date, we will exchange the exchange notes for the original notes on the exchange date.

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If we waive any material condition to the exchange offer, or amend the exchange offer in any material respect, and if at the time that notice of such waiver or amendment is first published, sent or given to holders of original notes in the manner specified above, the exchange offer is scheduled to expire at any time earlier than the expiration of a period ending on the fifth business day from, and including, the date that such notice is first so published, sent or given, then the exchange offer will be extended until the expiration of such five business day period.

This prospectus and the related letter of transmittal and other relevant materials will be delivered by us to record holders of original notes and will be furnished to brokers, banks and similar persons whose names, or the names of whose nominees, appear on the lists of holders for subsequent transmittal to beneficial owners of original notes.

Each broker-dealer that receives exchange notes for its own account in exchange for original notes, where such original notes were acquired by such broker-dealer as a result of market-making activities or other trading activities, must acknowledge that it will deliver a prospectus in connection with any resale of such exchange notes. See Plan of Distribution.

Terms of the Exchange Offer

We are offering, upon the terms and subject to the conditions set forth in this prospectus and in the accompanying letter of transmittal, to exchange, in minimum denominations of $200,000 and multiples of $1,000 in excess thereof, exchange notes for like amounts of original notes. We will accept for exchange any and all original notes that are validly tendered on or before 5:00 p.m., New York City time, on the expiration date. Tenders of the original notes may be withdrawn at any time before 5:00 p.m., New York City time, on the expiration date. The exchange offer is not conditioned upon any minimum principal amount of original notes being tendered for exchange. However, the exchange offer is subject to the terms of the applicable registration rights agreement and the satisfaction of the conditions described under Conditions to the Exchange Offer. Original notes may be tendered only in minimum denominations of $200,000 and multiplies of $1,000 in excess thereof. Holders of original notes may tender less than the aggregate principal amount represented by their original notes if they appropriately indicate this fact on the letter of transmittal accompanying the tendered original notes or indicate this fact pursuant to the procedures for book-entry transfer described below. Tenders of some but not all of a holder s original notes will only be accepted if they do not result in a residual holding of less than $200,000 aggregate principal amount of original notes.

As of the date of this prospectus, $500 million in aggregate principal amount of the original notes are outstanding. Solely for reasons of administration, we have fixed the close of business on April 11, 2019 as the record date for purposes of determining the persons to whom this prospectus and the letter of transmittal will be mailed initially. Only a holder of the original notes, or the holder s legal representative or attorney-in-fact, whose ownership is reflected in the records of The Bank of New York Mellon Trust Company, N.A., as registrar, or whose original notes are held of record by the depositary, may participate in the exchange offer. There will be no fixed record date for determining the eligible holders of the original notes who are entitled to participate in the exchange offer. We believe that, as of the date of this prospectus, no holder of notes is our affiliate, as defined in Rule 405 under the Securities Act.

We will be deemed to have accepted validly tendered original notes when, as and if we give written notice of our acceptance to the exchange agent. The exchange agent will act as agent for the tendering holders of original notes and for purposes of receiving the exchange notes from us. If any tendered certificated original notes are not accepted for exchange because of an invalid tender or otherwise, certificates for the unaccepted original notes will be returned, without expense, to the tendering holder as promptly as practicable after the expiration date.

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Holders of original notes do not have appraisal or dissenters rights under applicable law or the indenture as a result of the exchange offer. We intend to conduct the exchange offer in accordance with the applicable requirements of the Exchange Act and the rules and regulations under the Exchange Act, including Rule 14e-1.

Holders who tender their original notes in the exchange offer will not be required to pay brokerage commissions or fees or, except as otherwise provided in the letter of transmittal, transfer taxes with respect to the exchange of original notes under the exchange offer. We will pay all charges and expenses, other than transfer taxes in some circumstances, in connection with the exchange offer. See Solicitation of Tender; Expenses for more information about the costs of the exchange offer.

We do not make any recommendation to holders of original notes as to whether to tender any of their original notes under the exchange offer. In addition, no one has been authorized to make any recommendation. Holders of original notes must make their own decision whether to participate in the exchange offer and, if the holder chooses to participate in the exchange offer, the aggregate principal amount of original notes to tender, after reading carefully this prospectus (including the documents incorporated by reference in this prospectus) and the letter of transmittal and consulting with their advisors, if any, based on their own financial position and requirements.

How to Tender

The tender to us of original notes by you pursuant to one of the procedures set forth below will constitute an agreement between you and us in accordance with the terms and subject to the conditions set forth herein and in the letter of transmittal.

General Procedures. A holder of an original note may tender the same by (i) properly completing and signing the applicable letter of transmittal or a facsimile thereof (all references in this prospectus to the letter of transmittal shall be deemed to include a facsimile thereof) and delivering the same, together with the certificate or certificates representing the original notes being tendered and any required signature guarantees (or a timely confirmation of a book-entry transfer, which we refer to herein as a Book-Entry Confirmation, pursuant to the procedure described below), to the exchange agent at its address set forth in Exchange Agent on or prior to the expiration date or (ii) complying with the guaranteed delivery procedures described below.

If tendered original notes are registered in the name of the signer of the letter of transmittal and the exchange notes to be issued in exchange therefor are to be issued (and any untendered original notes are to be reissued) in the name of the registered holder, the signature of such signer need not be guaranteed. In any other case, the tendered original notes must be endorsed or accompanied by written instruments of transfer in form satisfactory to us and duly executed by the registered holder and the signature on the endorsement or instrument of transfer must be guaranteed by a firm, which we refer to herein as an Eligible Institution, that is a member of a recognized signature guarantee medallion program within the meaning of Rule 17Ad-15 under the Exchange Act. If the exchange notes and/or original notes not exchanged are to be delivered to an address other than that of the registered holder appearing on the note register for the original notes, the signature on the letter of transmittal must be guaranteed by an Eligible Institution.

Any beneficial owner whose original notes are registered in the name of a broker, dealer, commercial bank, trust company or other nominee and who wishes to tender original notes should contact such holder promptly and instruct such holder to tender original notes on such beneficial owner s behalf. If such beneficial owner wishes to tender such original notes himself, such beneficial owner must, prior to completing and executing the letter of transmittal and delivering such original notes, either make appropriate arrangements to register ownership of the original notes in such beneficial owner s name or follow the procedures described in the immediately preceding paragraph. The transfer of record ownership may take considerable time.

Book-Entry Transfer. The exchange agent will make a request to establish an account with respect to the original notes at The Depository Trust Company, which we refer to herein as the Book-Entry Transfer Facility,

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for purposes of the exchange offer within two business days after receipt of this prospectus, and any financial institution that is a participant in the Book-Entry Transfer Facility s systems, including Clearstream and Euroclear, may make book-entry delivery of original notes by causing the Book-Entry Transfer Facility to transfer such original notes into the exchange agent s account at the Book-Entry Transfer Facility in accordance with the Book-Entry Transfer Facility s procedures for transfer. However, although delivery of original notes may be effected through book-entry transfer at the Book-Entry Transfer Facility, the letter of transmittal, with any required signature guarantees and any other required documents, must, in any case, be transmitted to and received by the exchange agent at the address set forth in Exchange Agent on or prior to the expiration date or the guaranteed delivery procedures described below must be complied with.

The method of delivery of original notes and all other documents is at your election and risk. If sent by mail, we recommend that you use registered mail, return receipt requested, obtain proper insurance, and complete the mailing sufficiently in advance of the expiration date to permit delivery to the exchange agent on or before the expiration date.

Guaranteed Delivery Procedures. If a holder desires to accept the exchange offer and time will not permit a letter of transmittal or original notes to reach the exchange agent before the expiration date, a tender may be effected if the exchange agent has received at its office set forth in Exchange Agent on or prior to the expiration date a letter or facsimile transmission from an Eligible Institution setting forth the name and address of the tendering holder, the names in which the original notes are registered, the principal amount of the original notes and, if possible, the certificate numbers of the original notes to be tendered, and stating that the tender is being made thereby and guaranteeing that within three business days after the date of execution of such letter or facsimile transmission by the Eligible Institution (but in any event no later than three business days following the Expiration Date), the original notes, in proper form for transfer, will be delivered by such Eligible Institution together with a properly completed and duly executed letter of transmittal (and any other required documents). Unless original notes being tendered by the above-described method (or a timely Book-Entry Confirmation) are deposited with the exchange agent within the time period set forth above (accompanied or preceded by a properly completed letter of transmittal and any other required documents), we may, at our option, reject the tender. Copies of a Notice of Guaranteed Delivery that may be used by Eligible Institutions for the purposes described in this paragraph are being delivered with this prospectus and the related letter of transmittal.

A tender will be deemed to have been received as of the date when the tendering holder s properly completed and duly signed letter of transmittal accompanied by the original notes (or a timely Book-Entry Confirmation) is received by the exchange agent. Issuances of exchange notes in exchange for original notes tendered pursuant to a Notice of Guaranteed Delivery or letter or facsimile transmission to similar effect (as provided above) by an Eligible Institution will be made only against deposit of the letter of transmittal (and any other required documents) and the tendered original notes (or a timely Book-Entry Confirmation).

All questions as to the validity, form, eligibility (including time of receipt) and acceptance for exchange of any tender of original notes will be determined by us and our determination will be final and binding. We reserve the absolute right to reject any or all tenders not in proper form or the acceptances for exchange of which may, in the opinion of our counsel, be unlawful. We also reserve the absolute right to waive any of the conditions of the exchange offer or any defect or irregularities in tenders of any particular holder whether or not similar defects or irregularities are waived in the case of other holders. None of us, the exchange agent or any other person will be under any duty to give notification of any defects or irregularities in tenders or shall incur any liability for failure to give any such notification. Our interpretation of the terms and conditions of the exchange offer (including the letter of transmittal and the instructions thereto) will be final and binding.

Terms and Conditions of the Letter of Transmittal

The letter of transmittal contains, among other things, the following terms and conditions, which are part of the exchange offer.

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The party tendering original notes for exchange, whom we refer to herein as the Transferor, exchanges, assigns and transfers the original notes to us and irrevocably constitutes and appoints the exchange agent as the Transferor s agent and attorney-in-fact to cause the original notes to be assigned, transferred and exchanged. The Transferor represents and warrants that it has full power and authority to tender, exchange, assign and transfer the original notes and that, when the same are accepted for exchange, we will acquire good and unencumbered title to the tendered original notes, free and clear of all liens, restrictions, charges and encumbrances and not subject to any adverse claim. The Transferor also warrants that it will, upon request, execute and deliver any additional documents deemed by us to be necessary or desirable to complete the exchange, assignment and transfer of tendered original notes. The Transferor further agrees that acceptance of any tendered original notes by us and the issuance of exchange notes in exchange therefor shall constitute performance in full by us of our obligations under the registration rights agreement and that we shall have no further obligations or liabilities thereunder (except in certain limited circumstances). All authority conferred by the Transferor will survive the death or incapacity of the Transferor and every obligation of the Transferor shall be binding upon the heirs, legal representatives, successors, assigns, executors and administrators of such Transferor.

Withdrawal Rights

Original notes tendered pursuant to the exchange offer may be withdrawn at any time prior to the expiration date. For a withdrawal to be effective, a written or facsimile transmission notice of withdrawal must be timely received by the exchange agent at its address set forth in Exchange Agent. Any such notice of withdrawal must specify the person named in the letter of transmittal as having tendered the original notes to be withdrawn, the certificate numbers of the original notes to be withdrawn, the principal amount of original notes to be withdrawn (which must be an authorized denomination), a statement that such holder is withdrawing his election to have such original notes exchanged, and the name of the registered holder of such original notes, and must be signed by the holder in the same manner as the original signature on the letter of transmittal (including any required signature guarantees) or be accompanied by evidence satisfactory to us that the person withdrawing the tender has succeeded to the beneficial ownership of the original notes being withdrawn. The exchange agent will return the properly withdrawn original notes promptly following receipt of notice of withdrawal. All questions as to the validity of notices of withdrawals, including time of receipt, will be determined by us, and our determination will be final and binding on all parties.

Acceptance of Original Notes for Exchange; Delivery of Exchange Notes

Upon the terms and subject to the conditions of the exchange offer, the acceptance for exchange of original notes validly tendered and not withdrawn and the issuance of the exchange notes will be made on the exchange date. For the purposes of the exchange offer, we shall be deemed to have accepted for exchange validly tendered original notes when, as and if we have given written notice thereof to the exchange agent.

The exchange agent will act as agent for the tendering holders of original notes for the purposes of receiving exchange notes from us and causing the original notes to be assigned, transferred and exchanged. Upon the terms and subject to the conditions of the exchange offer, delivery of exchange notes to be issued in exchange for accepted original notes will be made by the exchange agent promptly after acceptance of the tendered original notes. Original notes not accepted for exchange by us will be returned without expense to the tendering holders (or in the case of original notes tendered by book-entry transfer into the exchange agent s account at the Book-Entry Transfer Facility pursuant to the procedures described above, such non-exchanged original notes will be credited to an account maintained with such Book-Entry Transfer Facility) promptly following the expiration date or, if we terminate the exchange offer prior to the expiration date, promptly after the exchange offer is so terminated.

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Conditions to the Exchange Offer

We are not required to accept or exchange, or to issue exchange notes in exchange for, any outstanding original notes. We may terminate or extend the exchange offer by written notice to the exchange agent and by timely public announcement communicated in accordance with applicable law or regulation, if:

- any federal law, statute, rule, regulation or interpretation of the staff of the SEC has been proposed, adopted or enacted that, in our judgment, might impair our ability to proceed with the exchange offer or otherwise make it inadvisable to proceed with the exchange offer;

- an action or proceeding has been instituted or threatened in any court or by any governmental agency that, in our judgment, might impair our ability to proceed with the exchange offer or otherwise make it inadvisable to proceed with the exchange offer;

- there has occurred a material adverse development in any existing action or proceeding that might impair our ability to proceed with the exchange offer or otherwise make it inadvisable to proceed with the exchange offer;

- any stop order is threatened or in effect with respect to the registration statement of which this prospectus is a part or the qualification of the indenture under the Trust Indenture Act of 1939;

- all governmental approvals that we deem necessary for the consummation of the exchange have not been obtained;

- there is a change in the current interpretation by the staff of the SEC which permits holders who have made the required representations to us to resell, offer for resale, or otherwise transfer exchange notes issued in the exchange offer without registration of the exchange notes and delivery of a prospectus; or

- a material adverse change shall have occurred in our business, condition, operations or prospects.

The foregoing conditions are for our sole benefit and may be asserted by us with respect to all or any portion of the exchange offer regardless of the circumstances (including any action or inaction by us) giving rise to such condition or may be waived by us in whole or in part at any time or from time to time in our sole discretion. The failure by us at any time to exercise any of the foregoing rights will not be deemed a waiver of any such right, and each right will be deemed an ongoing right that may be asserted at any time or from time to time. In addition, we have reserved the right, notwithstanding the satisfaction of each of the foregoing conditions, to terminate or amend the exchange offer.

Any determination by us concerning the fulfillment or non-fulfillment of any conditions will be final and binding upon all parties.

Exchange Agent

The Bank of New York Mellon Trust Company, N.A. has been appointed as the exchange agent for the exchange offer. Letters of transmittal must be addressed to the exchange agent at its address set forth below. Delivery to an address other than the one set forth herein, or transmissions of instructions via a facsimile number other than the one set forth herein, will not constitute a valid delivery.

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.

By Facsimile:

732-667-9408

Confirm by telephone:

315-414-3317

By Mail, Hand or Courier:

The Bank of New York Mellon Trust Company, N.A., as Exchange Agent

c/o The Bank of New York Mellon Corporation

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Corporate Trust Operations Reorganization Unit

111 Sanders Creek Parkway

East Syracuse, NY 13057

Attn: Eric Herr

By email: CT_REORG_UNIT_INQUIRIES@bnymellon.com

Solicitation of Tenders; Expenses

We have not retained any dealer-manager or similar agent in connection with the exchange offer and will not make any payments to brokers, dealers or others for soliciting acceptances of the exchange offer. We will, however, pay the exchange agent reasonable and customary fees for its services and will reimburse it for reasonable out-of-pocket expenses in connection therewith. We also will pay brokerage houses and other custodians, nominees and fiduciaries the reasonable out-of-pocket expenses incurred by them in forwarding tenders for their customers. The expenses to be incurred in connection with the exchange offer, including the fees and expenses of the exchange agent and printing, accounting and legal fees, will be paid by us.

No dealer, salesperson or other individual has been authorized to give any information or to make any representations not contained or incorporated by reference in this prospectus in connection with the exchange offer. If given or made, you must not rely on such information or representations as having been authorized by us. Neither the delivery of this prospectus nor any exchange made hereunder shall, under any circumstances, create any implication that there has been no change in our affairs since the respective dates as of which information is given or incorporated by reference herein.

The exchange offer is not being made to (nor will tenders be accepted from or on behalf of) holders of original notes in any jurisdiction in which the making of the exchange offer or the acceptance thereof would not be in compliance with the laws of such jurisdiction. However, at our discretion, we may take such action as we may deem necessary to make the exchange offer in any such jurisdiction and extend the exchange offer to holders of original notes in such jurisdiction. In any jurisdiction the securities laws or blue sky laws of which require the exchange offer to be made by a licensed broker or dealer, the exchange offer is being made on behalf of us by one or more registered brokers or dealers that are licensed under the laws of such jurisdiction.

Appraisal Rights

You will not have appraisal rights in connection with the exchange offer.

U.S. Federal Income Tax Consequences

We believe that the exchange of original notes for exchange notes will not be a taxable exchange for U.S. federal income tax purposes, and that holders will not recognize any taxable gain or loss or any interest income as a result of such exchange. See Certain U.S. Federal Income Tax Considerations.

United Kingdom Tax Consequences

We believe that the exchange of original notes for exchange notes will not be a taxable exchange for United Kingdom tax purposes, and that holders will not recognize any taxable gain or loss or any interest income as a result of such exchange

Regulatory Approvals

Other than the federal securities laws, there are no federal or state regulatory requirements that we must comply with and there are no approvals that we must obtain in connection with the exchange offer.

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Accounting Treatment

The exchange notes will be recorded at the same carrying value as the original notes. Accordingly, we will recognize no gain or loss for accounting purposes in connection with the exchange offer. The expense of the exchange offer will be expensed over the term of the exchange notes.

Other

Participation in the exchange offer is voluntary and you should consider carefully whether to accept. You are urged to consult your financial and tax advisors in making your own decisions on what action to take.

As a result of the making of, and upon acceptance for exchange of all validly tendered original notes pursuant to the terms of, the exchange offer, we will have fulfilled a covenant contained in the terms of the original notes and the registration rights agreement. Holders of the original notes who do not tender their original notes in the exchange offer will continue to hold such original notes and will be entitled to all the rights and limitations applicable thereto under the indenture and the registration rights agreement, except for any terms of such documents which, by their terms, terminate or cease to have further effect as a result of the making of this exchange offer. See Description of the Exchange Notes. All untendered original notes will continue to be subject to the restriction on transfer set forth in the indenture. To the extent that original notes are tendered and accepted in the exchange offer, the trading market, if any, for the original notes not tendered and accepted in the exchange offer could be adversely affected. See Risk Factors Risks Associated with the Exchange Offer Your ability to sell your original notes may be significantly more limited and the price at which you may be able to sell your original notes may be significantly lower if you do not exchange them for registered exchange notes in the exchange offer.

We may in the future seek to acquire untendered original notes in open market or privately negotiated transactions, through subsequent exchange offers or otherwise. We have no present plan to acquire any original notes that are not tendered in the exchange offer.

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DESCRIPTION OF OTHER INDEBTEDNESS

Senior Secured Credit Facilities

On June 4, 2014, TransDigm Inc. entered into an Amendment and Restatement Agreement pursuant to which it amended and restated its existing credit agreement into a Second Amended and Restated Credit Agreement (as amended or modified, the Credit Agreement). The Credit Agreement provides for a term loan facility (the Term Loan Facility) and a revolving credit facility (the Revolving Credit Facility). The Revolving Credit Facility and the Term Loan Facility are collectively referred to herein as the Credit Facilities. On May 20, 2015, TransDigm Inc. entered into (i) a Loan Modification Agreement, which, among other things, modified certain terms (including the pricing and maturity date) of a portion of the tranche C term loans under the Credit Agreement in an aggregate principal amount of $251,129,304 such that the modified term loans have the same terms as the tranche E term loans under the Credit Agreement, and (ii) an Incremental Revolving Assumption and Refinancing Facility Agreement, which, among other things, increased the revolving commitments under the Credit Agreement in an aggregate principal amount of $130,000,000 and refinanced a portion of the existing tranche C term loans into tranche E term loans in an aggregate principal amount of $248,870,696. On June 9, 2016, TransDigm Inc. entered into Amendment No. 1 to the Second Amended and Restated Credit Agreement, which, among other things, (i) provided for additional revolving commitments for borrowings denominated in U.S. Dollars in an aggregate amount of approximately $58 million, (ii) provided for tranche F term loans in an aggregate principal amount equal to $500 million, which were fully drawn on June 9, 2016, (iii) provided for delayed draw tranche F term loans in an aggregate principal amount not to exceed $450 million, which were fully drawn on June 20, 2016, and (iv) refinanced a portion of the existing tranche C term loans into tranche F term loans in an aggregate principal amount of approximately $790 million. On October 14, 2016, TransDigm Inc. entered into an Incremental Term Loan Assumption Agreement which, among other things, provided for (i) additional tranche F term loans in an aggregate principal amount equal to $650 million, which were fully drawn on October 14, 2016, and (ii) additional delayed draw tranche F term loans in an aggregate principal amount not to exceed $500 million, which were fully drawn on October 27, 2016. On March 6, 2017, we entered into Amendment No. 2 to the Second Amended and Restated Credit Agreement, which, among other things, increased the general investment basket to $400 million and 8% of consolidated total assets. On August 22, 2017, TransDigm Inc. entered into Amendment No. 3 and Incremental Term Loan Assumption Agreement to the Second Amended and Restated Credit Agreement, which, among other things, (i) provided for tranche G term loans in an aggregate principal amount of $1,819 million, which were fully drawn on August 22, 2017, and (ii) provided for the repayment in full of the tranche C term loans. On November 30, 2017, TransDigm Inc. entered into Amendment No. 4 and Refinancing Facility Agreement to the Second Amended and Restated Credit Agreement, which, among other things, (i) refinanced a portion of the existing tranche E term loans in an aggregate principal amount of $1,503 million, and (ii) refinanced a portion of the existing tranche F term loans in an aggregate principal amount of $3,655 million. On February 22, 2018, TransDigm Inc. entered into the Refinancing Facility Agreement to the Second Amended and Restated Credit Agreement, which, among other things, refinanced a portion of the existing tranche G term loans in an aggregate principal amount of $1,810 million. On May 30, 2018, TransDigm Inc. entered into Amendment No. 5, Incremental Assumption Agreement and Refinancing Facility Agreement to the Second Amended and Restated Credit Agreement, which, among other things, (i) refinanced a portion of the existing tranche E term loans in an aggregate principal amount of $1,322 million, (ii) provided for additional tranche E term loans in an aggregate principal amount equal to $933 million, (iii) refinanced a portion of the existing tranche F term loans in an aggregate principal amount of $3,578 million, (iv) extended the revolving maturity date to December 28, 2022, (v) provided for additional dollar revolving credit commitments of $38,564,150 and additional multicurrency revolving credit commitments of $11,435,850, and (vi) permitted up to $1,500 million of dividends and share repurchases on or prior to December 31, 2018 (provided, that, if any portion of the $1,500 million is not used for dividends or share repurchases prior to such date, such amount (not to exceed $500 million) may be used to repurchase stock at any time thereafter). On March 14, 2019, TransDigm Inc. entered into Amendment No. 6 and Incremental Revolving Credit Assumption Agreement,

which among other things, provided for additional dollar revolving credit commitments of $107,883,290.81 and additional multicurrency revolving credit commitments of $52,116,709.18.

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The Term Loan Facility consists of three tranches: (i) tranche E term loans of approximately $2,244 million in the aggregate outstanding; (ii) tranche F term loans of approximately $3,560 million in the aggregate outstanding; and (iii) tranche G term loans of approximately $1,796 million in the aggregate outstanding. The tranche E term loans mature on May 30, 2025, the tranche F term loans mature on June 9, 2023 and the tranche G term loans mature on August 22, 2024. The Term Loan Facility requires quarterly principal payments of 0.25% of its original principal amount which began on March 28, 2013 (or in the case of any term loan issued after such date, the last day of the first full fiscal quarter after such term loan was issued). The Revolving Credit Facility consists of two tranches: (i) extended revolving commitments for borrowings denominated in U.S. Dollars in an amount equal to approximately $501 million in the aggregate; and (ii) extended multicurrency revolving commitments in an amount equal to approximately $99 million in the aggregate. The extended commitments under the Revolving Credit Facility mature on February 28, 2022. As of December 29, 2018, we had $16.1 million letters of credit outstanding and $583.9 million of borrowings available under the Revolving Credit Facility.

The interest rates per annum applicable to the loans under the Credit Facilities are, at TransDigm Inc. s option, equal to either an alternate base rate or an adjusted LIBO rate for one, two, three or six-month interest periods (or to the extent agreed to by each relevant lender, a twelve-month interest period or an interest period of less than one month) chosen by us, in each case plus an applicable margin percentage. The adjusted LIBO rate for the term loans is not subject to a floor and the adjusted LIBO rate for the revolving loans is subject to a floor of 0.75%.

Under the terms of the Credit Facilities, TransDigm Inc. is entitled on one or more occasions to request additional revolving commitments, additional term loans or a combination thereof, subject to the satisfaction of certain conditions, including, among others, that the Consolidated Net Leverage Ratio (as defined in the Credit Agreement) would be no greater than 7.25 to 1.00 and the Consolidated Secured Net Debt Ratio (as defined in the Credit Agreement) would be no greater than 5.00 to 1.00, after giving effect to such additional revolving commitments or additional term loans.

All of the indebtedness outstanding under the Credit Facilities is guaranteed by TD Group and certain of its U.S. subsidiaries and by the Issuer. In addition, TransDigm Inc. s obligations under the Credit Facilities are secured by a first priority security interest in substantially all of its, TD Group s and certain of TD Group s U.S. subsidiaries existing and future property and assets, including inventory, equipment, general intangibles, intellectual property, investment property and other personal property (but excluding leasehold interests and certain other assets), and a first priority pledge of its capital stock and the capital stock of its subsidiaries (other than non-U.S. subsidiaries and certain U.S. subsidiaries, of which 65% of the voting capital stock will be pledged).

The Credit Agreement requires mandatory prepayments of principal of the term loans based on certain percentages of Excess Cash Flow (as defined in the Credit Agreement), 90 days after the end of each fiscal year, commencing with the fiscal year ending September 30, 2014, subject to certain exceptions. In addition, subject to certain exceptions (including, with respect to asset sales, reinvestment in productive assets), TransDigm Inc. is required to prepay the term loans outstanding under the Credit Facilities at 100% of the principal amount thereof, plus accrued and unpaid interest, with the net cash proceeds of certain asset sales and issuance or incurrence of certain indebtedness.

The Credit Facilities contain certain covenants that limit TransDigm Inc. s and its subsidiaries ability to, among other things: (i) incur or guarantee additional indebtedness or issue preferred stock; (ii) pay distributions on, redeem or repurchase capital stock, or redeem or repurchase subordinated debt; (iii) make investments; (iv) sell assets; (v) enter into agreements that restrict distributions or other payments from restricted subsidiaries to us; (vi) incur or suffer to exist liens securing indebtedness; (vii) consolidate, merge or transfer all or substantially all of our assets; and (viii) engage in transactions with affiliates.

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A/R Facility

On October 21, 2013, TransDigm Inc. and certain of its U.S. subsidiaries entered into a trade receivables purchase facility (as amended or modified, the A/R Facility). The A/R Facility provides TransDigm Inc. and its subsidiaries with additional liquidity and funding for their ongoing business needs. Under the terms of the A/R Facility, TransDigm Inc. and certain of its U.S. subsidiaries (the Originators) sell, on an ongoing basis, through one or more transfer agreements, certain trade receivables to TransDigm Receivables LLC (the SPE). As of December 29, 2018, we had approximately $50 million of unused capacity under the $350.0 million A/R Facility.

The SPE is a wholly owned special purpose subsidiary of TransDigm Inc. that finances its acquisitions of trade receivables by selling undivided interests, and granting security interests, in the trade receivables to certain financial institutions party to the A/R Facility (the Purchasers). The SPE s sole business consists of the purchase of the trade receivables from the Originators, the subsequent retransfer of interests in such trade receivables to the Purchasers, the making of equity distributions to TransDigm Inc. and the payment of its obligations to the Purchasers under the A/R Facility. The SPE is a separate legal entity with its own separate creditors (i.e., the Purchasers) who will be entitled, upon termination of the A/R Facility, to be satisfied out of the SPE s assets prior to any assets or value in the SPE becoming available to TransDigm Inc. or any other affiliate thereof and the assets of the SPE are not available to pay creditors of TransDigm Inc. or any other affiliate thereof.

6.000% Senior Subordinated Notes Due 2022

On June 4, 2014, TransDigm Inc. issued $1,150.0 million aggregate principal amount of the 2022 notes.

The 2022 notes are guaranteed on a senior subordinated unsecured basis by TD Group, its U.S. subsidiaries named in the 2022 notes indenture and the Issuer, which we refer to, collectively, as the 2022 notes guarantors. The 2022 notes and their guarantees are subordinated in right of payment to all of TransDigm Inc. s and the 2022 notes guarantors existing and future senior indebtedness, including the indebtedness represented by the secured notes, rank equally in right of payment with any of TransDigm Inc. s and the 2022 notes guarantors existing and future senior subordinated indebtedness, including the indebtedness represented by the 2024 notes, the 2025 notes, the 2026 notes, the 2027 notes and the notes, and rank senior in right of payment to any of TransDigm Inc. s and the 2022 notes guarantors future indebtedness that is, by its terms, expressly subordinated in right of payment to the 2022 notes. The 2022 notes are structurally subordinated to all of the liabilities of TransDigm Inc. s non-guarantor subsidiaries.

6.500% Senior Subordinated Notes Due 2024

On June 4, 2014, TransDigm Inc. issued $1,200.0 million aggregate principal amount of the 2024 notes.

The 2024 notes are guaranteed on a senior subordinated unsecured basis by TD Group, its U.S. subsidiaries named in the 2024 notes indenture and the Issuer, which we refer to, collectively, as the 2024 notes guarantors. The 2024 notes and their guarantees are subordinated in right of payment to all of TransDigm Inc. s and the 2024 notes guarantors existing and future senior indebtedness, including the indebtedness represented by the secured notes, rank equally in right of payment with any of TransDigm Inc. s and the 2024 notes guarantors existing and future senior subordinated indebtedness, including the indebtedness represented by the 2022 notes, the 2025 notes, the 2026 notes, the 2027 notes and the notes, and rank senior in right of payment to any of TransDigm Inc. s and the 2024 notes guarantors future indebtedness that is, by its terms, expressly subordinated in right of payment to the 2024 notes. The 2024 notes are structurally subordinated to all of the liabilities of TransDigm Inc. s non-guarantor subsidiaries.

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6.500% Senior Subordinated Notes Due 2025

On May 14, 2015, TransDigm Inc. issued $450.0 million aggregate principal amount of the 2025 notes, and on March 1, 2017, TransDigm Inc. issued an additional $300.0 million aggregate principal amount of the 2025 notes.

The 2025 notes are guaranteed on a senior subordinated unsecured basis by TD Group, its U.S. subsidiaries named in the 2025 notes indenture and the Issuer, which we refer to, collectively, as the 2025 notes guarantors. The 2025 notes and their guarantees are subordinated in right of payment to all of TransDigm Inc. s and the 2025 notes guarantors existing and future senior indebtedness, including the indebtedness represented by the secured notes, rank equally in right of payment with any of TransDigm Inc. s and the 2025 notes guarantors existing and future senior subordinated indebtedness, including the indebtedness represented by the 2022 notes, the 2024 notes, the 2026 notes, the 2027 notes and the notes, and rank senior in right of payment to any of TransDigm Inc. s and the 2025 notes guarantors future indebtedness that is, by its terms, expressly subordinated in right of payment to the 2025 notes. The 2025 notes are structurally subordinated to all of the liabilities of TransDigm Inc. s non-guarantor subsidiaries.

6.375% Senior Subordinated Notes Due 2026

On June 9, 2016, TransDigm Inc. issued $950.0 million aggregate principal amount of the 2026 notes.

The 2026 notes are guaranteed on a senior subordinated unsecured basis by TD Group, its U.S. subsidiaries named in the 2026 notes indenture and the Issuer, which we refer to, collectively, as the 2026 notes guarantors. The 2026 notes and their guarantees are subordinated in right of payment to all of TransDigm Inc. s and the 2026 notes guarantors existing and future senior indebtedness, including the indebtedness represented by the secured notes, rank equally in right of payment with any of TransDigm Inc. s and the 2026 notes guarantors existing and future senior subordinated indebtedness, including the indebtedness represented by the 2022 notes, the 2024 notes, the 2025 notes, the 2027 notes and the notes, and rank senior in right of payment to any of TransDigm Inc. s and the 2026 notes guarantors future indebtedness that is, by its terms, expressly subordinated in right of payment to the 2026 notes. The 2026 notes are structurally subordinated to all of the liabilities of TransDigm Inc. s non-guarantor subsidiaries.

7.50% Senior Subordinated Notes due 2027

On February 13, 2019, TransDigm Inc. issued $550.0 aggregate principal amount of the 2027 notes.

The 2027 notes are guaranteed on a senior subordinated unsecured basis by TD Group, its U.S. subsidiaries named in the 2027 notes indenture and the Issuer, which we refer to, collectively, as the 2027 notes guarantors. The 2027 notes and their guarantees are subordinated in right of payment to all of TransDigm Inc. s and the 2027 notes guarantors existing and future senior indebtedness, including the indebtedness represented by the secured notes, rank equally in right of payment with any of TransDigm Inc. s and the 2027 notes guarantors existing and future senior subordinated indebtedness, including the indebtedness represented by the 2022 notes, the 2024 notes, the 2025 notes, the 2026 notes and the notes, and rank senior in right of payment to any of TransDigm Inc. s and the 2027 notes guarantors future indebtedness that is, by its terms, expressly subordinated in right of payment to the 2027 notes. The 2027 notes are structurally subordinated to all of the liabilities of TransDigm Inc. s non-guarantor subsidiaries.

6.25% Senior Secured Notes Due 2026

On February 13, 2019, TransDigm Inc. issued $4,000.0 million aggregate principal amount of the secured notes.

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The secured notes are guaranteed on a senior secured basis by TD Group, its U.S. subsidiaries named in the secured notes indenture and the Issuer, which we refer to, collectively, as the secured notes guarantors. The secured notes and their guarantees rank pari passu in right of payment with all of TransDigm Inc. s and the secured notes guarantors existing and future senior secured indebtedness, including indebtedness under the Credit Facilities, and rank senior in right of payment to any of TransDigm Inc. s and the secured notes guarantors existing and future senior subordinated indebtedness, including the indebtedness represented by the 2022 notes, the 2024 notes, the 2025 notes, the 2026 notes, the 2027 notes and the notes.

Certain Restrictive Covenants in Our Debt Documents

The Credit Agreement, the 2022 notes indenture, the 2024 notes indenture, the 2025 notes indenture, the 2026 notes indenture, the 2027 notes indenture, the secured notes indenture and the indenture governing the notes contain restrictive covenants that, among other things, limit TransDigm Inc. s and its restricted subsidiaries ability to incur or guarantee additional indebtedness or issue preferred stock, pay distributions on, redeem or repurchase capital stock, redeem or repurchase subordinated debt, engage in transactions with affiliates, sell assets, make investments, consolidate, merge or transfer all or substantially all of our assets, incur or suffer to exist liens securing indebtedness, enter into agreements that restrict distributions or other payments from restricted subsidiaries to TransDigm Inc., create unrestricted subsidiaries or engage in certain business activities. A breach of any of these covenants could result in a default under the 2022 notes indenture, the 2024 notes indenture, the 2025 notes indenture, the 2026 notes indenture, the 2027 notes indenture, the secured notes indenture, the indenture governing the notes or the Credit Facilities. In addition, the Revolving Credit Facility requires TransDigm Inc. to comply with a maximum consolidated net leverage ratio to the extent a certain threshold of the Revolving Credit Facility is outstanding and a failure to comply therewith would result in a default under the Revolving Credit Facility. If any such default occurs, the lenders under the Credit Facilities and the holders of the 2022 notes, the 2024 notes, the 2025 notes, the 2026 notes, the 2027 notes, the secured notes and the notes may elect to declare all outstanding borrowings, together with accrued interest and other amounts payable thereunder, to be immediately due and payable; provided, however, there are certain limitations on the rights of the lenders under the Term Loan Facility with respect to a default under the required leverage ratio. After an event of default occurs, the lenders under the Credit Facilities have the right to terminate any commitments they have to provide further borrowings. In addition, following an event of default under the Credit Facilities or the secured notes, the lenders thereunder or holders thereof, as applicable, will have the right to proceed against the collateral securing the debt, which includes available cash, and they will also have the right to prevent TransDigm Inc. and its restricted subsidiaries from making debt service payments on the 2022 notes, the 2024 notes, the 2025 notes, the 2026 notes, the 2027 notes and the notes.

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DESCRIPTION OF THE EXCHANGE NOTES

You can find definitions of certain capitalized terms used in the following summary under Certain Definitions. For purposes of this section, references to the word Company mean only TransDigm Inc. but not any of its Subsidiaries and reference to the word Issuer mean only TransDigm UK Holdings plc but not any of its Subsidiaries.

The Issuer will issue the 6.875% senior subordinated notes due 2026 offered by this prospectus (solely for purposes of this section entitled Description of the Exchange Notes, the Exchange Notes) under the Indenture, dated as of May 8, 2018 (the Indenture), among itself, Holdings, the Company and the subsidiary guarantors from time to time party thereto and The Bank of New York Mellon Trust Company, N.A., as Trustee (the Trustee). The Issuer is issuing the Exchange Notes in exchange for the 6.875% senior subordinated notes due 2026 that were issued under the Indenture by the Issuer on May 8, 2018 (solely for purposes of this section entitled Description of the Exchange Notes, the Original Notes). Solely for purposes of this section entitled Description of the Exchange Notes, we refer to the Exchange Notes and the Original Notes, collectively, as the Notes. The Exchange Notes offered hereby and any Original Notes not tendered pursuant to the terms hereof will be treated as a single class under the Indenture, including for purposes of determining whether the required percentage of Holders have given approval or consent to an amendment or waiver or joined in directing the Trustee to take certain actions on behalf of all Holders.

The following is a summary of the material provisions of the Indenture. It does not include all of the provisions of the Indenture. We urge you to read the Indenture because it defines your rights. The terms of the Notes include those stated in the Indenture and those made part of the Indenture by reference to the Trust Indenture Act of 1939 (the TIA), as in effect on the date of the Indenture. A copy of the Indenture may be obtained from the Company.

Brief Description of the Notes

The Notes:

- are unsecured senior subordinated obligations of the Issuer;
- are subordinated in right of payment to all existing and future Senior Debt of the Issuer;
- rank *pari passu* with all existing Senior Subordinated Indebtedness of the Issuer;
- are guaranteed by Holdings, the Company and each Domestic Restricted Subsidiary and, therefore, effectively rank *pari passu* with all existing Senior Subordinated Indebtedness of Holdings, the Company and each Domestic Restricted Subsidiary, including the 2022 Notes, the 2024 Notes, the 2025 Notes and the 2026 Notes or guarantees in respect thereof, as the case may be; and
- are subject to registration with the SEC pursuant to the Registration Rights Agreement.

The Issuer will issue the Exchange Notes in fully registered form in denominations of $200,000 and integral multiples of $1,000. The Trustee will initially act as paying agent and registrar. The Notes may be presented for registration of transfer and exchange at the offices of the registrar. The Issuer may change any paying agent and registrar without

notice to holders of the Notes (the Holders). The Issuer may pay principal (and premium, if any) on the Notes at the Trustee s corporate office in New York, New York or by wire transfer to the registered holder (i.e., DTC for a Global Note), or by mailing a check to the Holder s registered address. Any Original Notes that remain outstanding following the completion of the Registered Exchange Offer, together with the Exchange Notes issued in connection with the Registered Exchange Offer, and any Additional Notes actually issued will be treated as a single class of securities under the Indenture.

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Principal, Maturity and Interest

The Issuer issued the Original Notes on May 8, 2018 in the aggregate principal amount of $500.0 million and, pursuant to this prospectus, the Issuer is offering to exchange all of the Original Notes for the Exchange Notes. The Notes will mature on May 15, 2026. Subject to the Company s compliance with the Limitation on Incurrence of Additional Indebtedness covenant, the Issuer is entitled to issue more Notes under the Indenture (solely for purposes of this section entitled Description of the Exchange Notes, the Additional Notes), but if the Additional Notes are not fungible with the Notes for U.S. federal income tax purposes, the Additional Notes will have a separate CUSIP number. The Exchange Notes, any Original Notes that are not exchanged for the Exchange Notes and all Additional Notes, if any, will be treated as a single class under the Indenture, including waivers, amendments, redemptions and offers to purchase. Unless the context otherwise requires, for all purposes of the Indenture and this Description of the Exchange Notes, references to the Notes include the Original Notes not exchanged for Exchange Notes, the Exchange Notes and any Additional Notes actually issued.

Interest on the Notes will accrue at the rate of 6.875% per annum. Interest on the Notes will be payable semi-annually in cash in arrears on each May 15 and November 15, commencing on November 15, 2018 and accruing from May 8, 2018. The Issuer will make interest payments to the persons who are registered holders at the close of business on the May 1 or November 1 immediately preceding the applicable interest payment date. Interest on the Notes will accrue from the most recent date on which interest on the Notes was paid. Additional interest may accrue on the Notes in certain circumstances pursuant to the Registration Rights Agreement.

In certain circumstances, the Issuer may be required to pay additional amounts in cash on the Notes as described below under the caption entitled Additional Amounts .

Optional Redemption

Except as set forth below, the Issuer shall not be entitled to redeem the Notes at its option prior to May 15, 2021.

On and after issuance, the Issuer shall be entitled at its option to redeem the Notes (which includes the Additional Notes, if any) at its option, in whole or in part, upon not less than 30 nor more than 60 days notice, at the following redemption prices (expressed as percentages of the principal amount thereof) if redeemed during the twelve-month period commencing on May 15 of the year set forth below.

Year	Percentage
2021	105.156%
2022	103.438%
2023	101.719%
2024 and thereafter	100.000%

In addition, the Issuer must pay all accrued and unpaid interest on the Notes redeemed (subject to the right of holders of record on the relevant record date to receive interest due on the related interest payment date) and Additional Amounts (as defined below), if any.

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Prior to May 15, 2021, the Issuer shall be entitled at its option on one or more occasions to redeem Notes (which includes Additional Notes, if any) in an aggregate principal amount not to exceed 35% of the aggregate principal amount of the Notes (which includes Additional Notes, if any) originally issued at a redemption price (calculated by the Issuer and expressed as a percentage of principal amount) of 106.875%, plus accrued and unpaid interest and Additional Amounts, if any, to the redemption date, with an amount not to exceed the net cash proceeds from one or more Equity Offerings (*provided* that if the Equity Offering is an offering by Holdings, a portion of the Net Cash Proceeds thereof equal to the amount required to redeem any such Notes by the Issuer is contributed to the equity capital of the Company); *provided*, *however*, that

(1) at least 65% of such aggregate principal amount of Notes (which includes Additional Notes, if any) remains outstanding immediately after the occurrence of each such redemption (other than Notes held, directly or indirectly by the Issuer or its Affiliates); and

(2) each such redemption occurs within 90 days after the date of the related Equity Offering.

Notice of any redemption upon any Equity Offering may be given prior to the completion thereof, and any such redemption or notice, may, at the Issuer s discretion, be subject to the completion of the related Equity Offering.

Prior to May 15, 2021, the Issuer shall be entitled at its option to redeem all or a portion of the Notes at a redemption price (calculated by the Issuer) equal to 100% of the principal amount of the Notes plus the Applicable Premium as of, and accrued and unpaid interest and Additional Amounts, if any, to, the redemption date (subject to the right of Holders on the relevant record date to receive interest due on the relevant interest payment date). Notice of such redemption shall be sent to DTC, in the case of Global Notes, or mailed by first-class mail to each Holder s registered address in the case of certificated notes (and, to the extent permitted by applicable procedures and regulations, electronically), not less than 30 nor more than 60 days prior to the redemption date.

Adjusted Treasury Rate means, with respect to any redemption date, as provided by the Issuer, (1) the yield, under the heading which represents the average for the immediately preceding week, appearing in the most recently published statistical release designated H. 15(519) or any successor publication which is published weekly by the Board of Governors of the Federal Reserve System and which establishes yields on actively traded United States Treasury securities adjusted to constant maturity under the caption Treasury Constant Maturities, for the maturity corresponding to the Comparable Treasury Issue (if no maturity is within three months before or after the Initial Redemption Date, yields for the two published maturities most closely corresponding to the Comparable Treasury Issue shall be determined and the Adjusted Treasury Rate shall be interpolated or extrapolated from such yields on a straight line basis, rounding to the nearest month) or (2) if such release (or any successor release) is not published during the week preceding the calculation date or does not contain such yields, the rate per year equal to the semi-annual equivalent yield to maturity of the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such redemption date, in each case calculated on the third business day immediately preceding the date that the applicable redemption notice is first sent or mailed, in each case, plus 0.50%.

Applicable Premium means with respect to a Note at any redemption date, as provided by the Issuer, the greater of (1) 1.00% of the principal amount of such Note and (2) the excess of (A) the present value at such redemption date of (i) the redemption price of such Note on the Initial Redemption Date (such redemption price exclusive of any accrued and unpaid interest) plus (ii) all required remaining scheduled interest payments due on such Note through the Initial Redemption Date (but excluding accrued and unpaid interest, if any, to the redemption date), computed using a discount rate equal to the Adjusted Treasury Rate, over (B) the principal amount of such Note on such redemption date.

Comparable Treasury Issue means the United States Treasury security selected by the Quotation Agent as having a maturity comparable to the remaining term of the Notes from the redemption date to the Initial

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Redemption Date, that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of a maturity most nearly equal to the Initial Redemption Date.

Comparable Treasury Price means, with respect to any redemption date, if clause (2) of the Adjusted Treasury Rate definition is applicable, the average of three, or such lesser number as is obtained by the Issuer, Reference Treasury Dealer Quotations for such redemption date.

Initial Redemption Date means May 15, 2021.

Quotation Agent means the Reference Treasury Dealer selected by the Issuer.

Reference Treasury Dealer means Citigroup Global Markets Inc. and its successors and assigns, Credit Suisse Securities (USA) LLC and its successors and assigns, Morgan Stanley & Co. LLC and its successors and assigns and RBC Capital Markets, LLC and its successors and assigns.

Reference Treasury Dealer Quotations means with respect to each Reference Treasury Dealer and any redemption date, the average, as determined by the Issuer, of the bid and asked prices for the Comparable Treasury Issue, expressed in each case as a percentage of its principal amount, quoted in writing to the Issuer by such Reference Treasury Dealer at 5:00 p.m., New York City time, on the third business day immediately preceding the date that the applicable redemption notice is first sent or mailed.

Selection and Notice of Optional Redemption

In the event that the Issuer chooses to redeem less than all of the Notes, selection of the Notes for redemption will be made by DTC, by lot or otherwise in accordance with the procedures of the depository. No Notes of a principal amount of $200,000 or less shall be redeemed in part.

Optional Redemption for Tax Reasons

The Issuer may, at its option, redeem all (but not less than all) of the Notes then outstanding at a redemption price of 100% of the principal amount thereof, plus accrued and unpaid interest to the date of redemption (a Tax Redemption Date) and all Additional Amounts, if any, then due or which will become due on the Tax Redemption Date as a result of the redemption or otherwise, if the Company, Holdings, the Issuer or a Guarantor has become, or would become, after taking reasonable measures, if any, available to it to avoid it, obliged to pay, on the next date on which any amount would be payable with respect to the Notes, any Additional Amounts as a result of any change in laws or treaties of a Relevant Taxing Jurisdiction (as defined below) (including any regulations promulgated thereunder) or in any interpretation, administration or application regarding such laws, treaties or regulations (including a judicial decision rendered by a court of competent jurisdiction in a Relevant Taxing Jurisdiction (as defined below)), if such change is announced and becomes effective on or after the Issue Date. The Issuer shall provide notice of any such redemption at least ten days in advance of such redemption; provided that such notice shall not be given earlier than 90 days prior to the earliest date on which the Issuer would be obligated to pay such Additional Amounts if a payment with respect to the Notes was due on such date.

Mandatory Redemption; Offers to Purchase; Open Market Purchases

The Issuer is not required to make any mandatory redemption or sinking fund payments with respect to the Notes. However, under certain circumstances, the Issuer may be required to offer to purchase Notes as described under the caption Change of Control and the Limitation on Asset Sales covenant. The Issuer shall be entitled at its option at any

time and from time to time to purchase Notes in the open market or otherwise.

Additional Amounts

All payments made by the Company, Holdings, the Issuer and the Guarantors under or with respect to the Notes and the Guarantees will be made free and clear of, and without withholding or deduction for or on account

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of, any present or future tax, duty, levy, impost, assessment, or other governmental charge of whatever nature (including penalties, interest and other liabilities related thereto) (collectively, Taxes) imposed or levied by or on behalf of any government or political subdivision or territory or possession of any government or authority or agency or authority therein or thereof having the power to tax (each, a Taxing Authority) in any jurisdiction in which the Company, Holdings, the Issuer or any Guarantor (including their permitted successors and assigns) is then incorporated, engaged in business or resident for tax purposes or any jurisdiction by or through which payment is made (each, a Relevant Taxing Jurisdiction) unless the Company, Holdings, the Issuer or the Guarantor is required to withhold or deduct Taxes by law or by the relevant Taxing Authority s interpretation or administration thereof.

If the Company, Holdings, the Issuer or a Guarantor is required to withhold or deduct any amount for or on account of Taxes from any payment made under or with respect to the Notes or the Guarantees (as the case may be), the Company, Holdings, the Issuer or the Guarantors (as the case may be) will pay such additional amounts (Additional Amounts) as may be necessary so that the net amount received by each Holder (including Additional Amounts) after such withholding or deduction will be equal to the amount the Holder would have received if such Taxes had not been withheld or deducted; provided that no Additional Amounts will be payable with respect to a payment made to a Holder to the extent:

(1) any such Taxes would not have been imposed but for the existence of any present or former connection between such holder or the beneficial owner of the Notes and the Relevant Taxing Jurisdiction imposing such Taxes otherwise than merely by the acquisition, ownership or disposition of such Note or receiving any payment in respect thereof or the exercise or enforcement of any rights under the Notes or the Guarantees; or

(2) such holder or the beneficial owner of the Notes would not have been liable for or subject to such withholding or deduction on account of such Taxes but for the failure to make a valid declaration of non-residence or similar claim for exemption or to provide information concerning nationality, residence or connection with the Relevant Taxing Jurisdiction if:

(A) the making of such declaration or claim or provision of such information is required or imposed by statute, treaty, regulation, ruling or administrative practice of a Taxing Authority of the Relevant Taxing Jurisdiction as a pre-condition to an exemption from, or reduction in, such Taxes; and

(B) at least 30 days prior to the first payment date with respect to which the Company, Holdings, the Issuer or the Guarantors shall apply this clause (2), the Company, Holdings, the Issuer or the Guarantors shall have notified that Holder in writing that they shall be required to provide such declaration, claim or information; or

(3) such Holder would have been able to avoid such Taxes by presenting the relevant Note to another Paying Agent in a member state of the European Union (as constituted on the Issue Date) or in the United States; or

(4) any such Taxes would not have been imposed but for the presentation by the holder of such Note (where presentation is required) for payment on a date more than 30 days after the date on which such payment became due or payable or was duly provided for, whichever is later; or

(5) any such Taxes withheld, deducted, or imposed on a payment on or with respect to the Notes to a holder that is a fiduciary, a partnership or a person other than the sole beneficial owner of any such payment, if such Taxes would not have been imposed had the beneficiary or settlor with respect to such fiduciary, a member of such partnership or the beneficial owner of the payment been the holder of the Note; or

(6) any such Taxes required to be withheld or deducted under Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as amended, or any amended or successor versions of such Sections (FATCA), any regulations or other guidance thereunder, or any agreement (including any intergovernmental agreement) entered into in connection therewith, or any law, regulation or other official

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guidance enacted in any jurisdiction implementing FATCA or an intergovernmental agreement in respect of FATCA; or

(7) of any combination of the immediately preceding clauses (1) to (6) (inclusive).

In addition, Additional Amounts will not be payable with respect to any estate, inheritance, gift, sales, transfer, personal property or any similar tax, assessment or other governmental charge with respect to such Notes or with respect to any Tax which is payable otherwise than by deduction or withholding from payments of principal of, premium or discount, if any, or interest on, the Notes.

The Company, Holdings, the Issuer or the Guarantors (as the case may be) will also:

(1) make any required withholding or deduction; and

(2) remit the full amount deducted or withheld to the relevant Taxing Authority in accordance with applicable law.

The Company, Holdings, the Issuer or the Guarantors (as the case may be) will make reasonable efforts to obtain certified copies of tax receipts evidencing the payment of any Taxes so deducted or withheld from each Taxing Authority imposing such Taxes. The Company, Holdings, the Issuer or the Guarantors (as the case may be) will use reasonable efforts to furnish to the Holders (with a copy to the Trustee), within 30 days after the date the payment of any Taxes so deducted or withheld is due pursuant to applicable law, either certified copies of tax receipts evidencing such payment by the Company, Holdings, the Issuer or the Guarantors (as the case may be) or, if such receipts are not obtainable, other evidence of such payments by the Company, Holdings, the Issuer or the Guarantors (as the case may be).

At least 30 days prior to each date on which any payment under or with respect to the Notes is due and payable, if the Company, Holdings, the Issuer or the Guarantors (as the case may be) will be obliged to pay Additional Amounts with respect to such payment, the Company, Holdings, the Issuer or the Guarantors (as the case may be) will deliver to the Trustee and the Paying Agent an Officers Certificate stating the fact that such Additional Amounts will be payable and the amounts so payable and will set forth such other information necessary to enable the Paying Agent on behalf of the Trustee to pay such Additional Amounts to the Holders on the payment date.

Whenever in this Description of the Exchange Notes section there is mentioned, in any context, the payment of amounts based upon the principal, premium, interest or any other amount payable under or with respect to any of the Notes, this includes payment of any Additional Amounts that may be applicable.

The Company, Holdings, the Issuer or the Guarantors (as the case may be) will pay any stamp, transfer, court or documentary taxes, or any other excise or property taxes, charges or similar levies which arise from the original execution, delivery or registration of the Notes, the initial resale thereof by the initial purchasers and the enforcement of the Notes or the Guarantees following the occurrence of any Event of Default with respect to the Notes.

The foregoing provisions will survive any termination, defeasance or discharge of the Notes and shall apply *mutatis mutandis* to any jurisdiction in which any successor Person to the Company, Holdings, the Issuer or any Guarantor, as the case may be, is organized, engaged in business, resident for tax purposes, or otherwise subject to taxation on a net income basis or any political sub-divisions or taxing authority or agency thereof or therein.

Ranking

Senior Indebtedness Versus Notes and Guarantees

The payment of the principal of, premium, if any, interest and Additional Amounts, if any, on the Notes and the payment of any Guarantee will be subordinate in right of payment to the prior payment in full of all Senior Debt of the Company, Holdings, the Issuer or the relevant Guarantor, as the case may be, including the obligations of the Company, Holdings, the Issuer and such Guarantor under the Credit Facilities.

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As of December 29, 2018:

(1) the Issuer s Senior Debt was $7,599.9 million, all of which represented the Issuer s guarantee of the Company s indebtedness under the Credit Facilities and does not reflect $300.0 million outstanding under the 2013 Accounts Receivable Facility.

(2) Holdings Senior Debt was $7,599.9 million, all of which represented Holdings guarantee of the Company s indebtedness under the Credit Facilities and does not reflect $300.0 million outstanding under the 2013 Accounts Receivable Facility;

(3) the Company s Senior Debt was $7,899.9 million, $7,599.9 million of which consisted of secured indebtedness under the Credit Facilities and $300.0 million of which consisted of secured indebtedness outstanding under the 2013 Accounts Receivable Facility; and

(4) the Senior Debt of the Guarantors was $7,599.9 million, all of which consisted of their guarantees of the Company s indebtedness under the Credit Facilities and does not reflect $300.0 million outstanding under the 2013 Accounts Receivable Facility.

In addition, at December 29, 2018, the Company had additional availability of approximately $583.9 million for borrowing of Senior Debt under the revolving loan facility under the Credit Facilities and $50 million of unused capacity under the 2013 Accounts Receivable Facility as of such date. Although the Indenture contains limitations on the amount of additional Indebtedness that the Company, the Issuer and the Guarantors may incur, under certain circumstances the amount of such Indebtedness could be substantial and, in any case, such Indebtedness may be Senior Debt. See Certain Covenants Limitation on Incurrence of Additional Indebtedness.

Liabilities of Subsidiaries Versus Notes and Guarantees

Claims of creditors of Subsidiaries of the Company that are neither the Issuer nor the Guarantors, including trade creditors holding Indebtedness or guarantees issued by such non-guarantor Subsidiaries, and claims of preferred stockholders of such non-guarantor Subsidiaries, will have priority with respect to the assets and earnings of such non-guarantor Subsidiaries over the claims of creditors of the Company, including Holders, even if such claims do not constitute Senior Debt. Accordingly, the Notes and each Guarantee will be effectively subordinated to creditors (including trade creditors) and preferred stockholders, if any, of such non-guarantor Subsidiaries.

Although the Indenture limits the incurrence of Indebtedness and Preferred Stock by the Company s Restricted Subsidiaries, such limitation is subject to a number of significant qualifications. Moreover, the Indenture does not impose any limitation on the incurrence by such Subsidiaries of liabilities that are not considered Indebtedness or Preferred Stock under the Indenture. See Certain Covenants Limitation on Incurrence of Additional Indebtedness and Certain Covenants Limitation on Preferred Stock of Restricted Subsidiaries.

As of the date of this prospectus (not including the Issuer), 124 non-U.S. Subsidiaries of the Company, 73 of which have immaterial assets and liabilities (excluding intercompany debt), do not guarantee the Notes. As of December 29, 2018, our non-guarantor subsidiaries (not including the Issuer) represented approximately 33% of total assets. In addition, no Securitization Entity guarantees the Notes.

Other Senior Subordinated Indebtedness Versus Notes

Indebtedness of the Company, Holdings, the Issuer or a Guarantor that constitutes Senior Debt will rank senior to the Notes and the relevant Guarantee in accordance with the provisions of the Indenture. The Notes and each Guarantee will in all respects rank *pari passu* with all other senior subordinated Indebtedness of the Company, of Holdings, of the Issuer and of the applicable Guarantor, respectively, including the 2022 Notes, the 2024 Notes, the 2025 Notes and the 2026 Notes.

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The Company, the Issuer and the Guarantors have agreed in the Indenture that they will not incur or suffer to exist any Indebtedness that is senior in right of payment to the Notes or the applicable Guarantee of the Company or Guarantor, as the case may be, and subordinate in right of payment to any other Indebtedness of the Company, the Issuer or such Guarantor, as the case may be. See Certain Covenants Prohibition on Incurrence of Senior Subordinated Debt. For the avoidance of doubt, unsecured Indebtedness is not subordinated or junior to Secured Debt merely because it is unsecured.

Subordination; Payment of Notes

The Issuer is not permitted to pay principal of, premium or Additional Amounts, if any, or interest on the Notes or make any deposit pursuant to the provisions described under Legal Defeasance and Covenant Defeasance below and may not purchase, redeem or otherwise retire any Notes (collectively, pay the Notes) if either of the following occurs (a Payment Default):

(1) any Designated Senior Debt of the Issuer is not paid in full in cash when due; or

(2) any other default on Designated Senior Debt of the Issuer occurs and the maturity of such Designated Senior Debt is accelerated in accordance with its terms;

unless, in either case, the Payment Default has been cured or waived and any such acceleration has been rescinded or such Designated Senior Debt has been paid in full in cash. Regardless of the foregoing, the Issuer is permitted to pay the Notes if the Issuer and the Trustee receive written notice approving such payment from the Representatives of all Designated Senior Debt with respect to which the Payment Default has occurred and is continuing.

During the continuance of any default (other than a Payment Default) with respect to any Designated Senior Debt pursuant to which the maturity thereof may be accelerated without further notice (except such notice as may be required to effect such acceleration) or the expiration of any applicable grace periods, the Issuer is not permitted to pay the Notes for a period (a Payment Blockage Period) commencing upon the receipt by the Trustee (with a copy to the Issuer) of written notice (a Blockage Notice) of such default from the Representative of such Designated Senior Debt specifying an election to effect a Payment Blockage Period and ending 179 days thereafter. The Payment Blockage Period will end earlier if such Payment Blockage Period is terminated:

(1) by written notice to the Trustee and the Issuer from the Person or Persons who gave such Blockage Notice;

(2) because the default giving rise to such Blockage Notice is cured, waived or otherwise no longer continuing; or

(3) because such Designated Senior Debt has been discharged or repaid in full in cash.

Notwithstanding the provisions described above, unless the holders of such Designated Senior Debt or the Representative of such Designated Senior Debt have accelerated the maturity of such Designated Senior Debt, the Issuer is permitted to resume paying the Notes after the end of such Payment Blockage Period. The Notes shall not be subject to more than one Payment Blockage Period in any consecutive 360-day period irrespective of the number of defaults with respect to Designated Senior Debt during such period, except that if any Blockage Notice is delivered to the Trustee by or on behalf of holders of Designated Senior Debt (other than holders of the Bank Indebtedness), a Representative of holders of Bank Indebtedness may give another Blockage Notice within such period. However, in no event may the total number of days during which any Payment Blockage Period or Periods is in effect exceed 179 days in the aggregate during any 360-day consecutive period, and there must be 181 days during any 360-day consecutive period during which no Payment Blockage Period is in effect.

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Upon any payment or distribution of the assets of the Issuer upon a total or partial liquidation or dissolution or reorganization of, or similar proceeding relating to, the Issuer or its property:

(1) the holders of Senior Debt of the Issuer will be entitled to receive payment in full in cash of such Senior Debt before the Holders are entitled to receive any payment;

(2) until the Senior Debt of the Issuer is paid in full in cash, any payment or distribution to which Holders would be entitled but for the subordination provisions of the Indenture will be made to holders of such Senior Debt as their interests may appear, except that Holders may receive certain Capital Stock and subordinated debt obligations; and

(3) if a distribution is made to Holders that, due to the subordination provisions, should not have been made to them, such Holders are required to hold it in trust for the holders of Senior Debt of the Issuer and pay it over to them as their interests may appear.

If payment of the Notes is accelerated because of an Event of Default, the Issuer must promptly notify the holders of Designated Senior Debt or the Representative of such Designated Senior Debt of the acceleration. If any Designated Senior Debt is outstanding, none of the Company, Holdings, the Issuer or any Guarantor may pay the Notes until five business days after the Representatives of all the issues of Designated Senior Debt receive notice of such acceleration and, thereafter, may pay the Notes only if the Indenture otherwise permits payment at that time.

The obligations of Holdings, the Company and the Guarantors under their respective Guarantees are senior subordinated obligations. As such, the rights of the Holders to receive payment by Holdings, the Company or by a Guarantor pursuant to its Guarantee will be subordinated in right of payment to the rights of holders of Senior Debt of Holdings, the Company or such Guarantor, as the case may be. The terms of the subordination provisions described above with respect to the Company s obligations under the Notes apply equally to Holdings, the Company and each Guarantor and the obligations of Holdings, the Company and such Guarantor under its Guarantee.

By reason of the subordination provisions contained in the Indenture, in the event of a liquidation or insolvency proceeding, creditors of the Company, Holdings, the Issuer or a Guarantor who are holders of Senior Debt of the Company, Holdings, the Issuer or such Guarantor, as the case may be, may recover more, ratably, than the Holders, and creditors of the Company, Holdings, the Issuer or a Guarantor who are not holders of Senior Debt may recover less, ratably, than holders of Senior Debt and may recover more, ratably, than the Holders.

The terms of the subordination provisions described above will not apply to payments from money or the proceeds of U.S. government obligations held in trust by the Trustee for the payment of principal of, Additional Amounts, if any, and interest on the Notes pursuant to the provisions described under Legal Defeasance and Covenant Defeasance, if the foregoing subordination provisions were not violated at the time the respective amounts were deposited pursuant to such defeasance provisions.

Guarantees

Holdings, the Company and the Domestic Restricted Subsidiaries of the Company, other than an Immaterial Domestic Restricted Subsidiary, will jointly and severally guarantee, on a senior subordinated basis, the Company s obligations under the Notes and the Indenture. The obligations of the Company and of each Domestic Restricted Subsidiary under their Guarantees will be limited as necessary to prevent such Guarantee from constituting a fraudulent conveyance under applicable law. See Risk Factors Risks Relating to the Notes Federal and state fraudulent transfer laws permit a court to void the notes and the guarantees, and if that occurs, you may not receive any payments on the notes. Because Holdings is a holding company with no significant operations, the Guarantee by Holdings provides little, if any,

additional credit support for the Notes, and investors should not rely on the Guarantee by Holdings in evaluating an investment in the Notes.

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Holdings, the Company and each Guarantor that makes a payment under its Guarantee will be entitled upon payment in full of all guaranteed obligations under the Indenture to a contribution from each other Guarantor, Holdings and the Company and in an amount equal to such other Guarantor s, Holdings and the Company s pro rata portion of such payment based on the respective net assets of all the Guarantors, Holdings and the Company at the time of such payment determined in accordance with GAAP (for purposes hereof, Holdings net assets shall be those of all its consolidated Subsidiaries other than the Company and the Guarantors).

If a Guarantee were rendered voidable, it could be subordinated by a court to all other indebtedness (including guarantees and other contingent liabilities) of Holdings, the Company or a Guarantor, as applicable, and, depending on the amount of such indebtedness, Holdings , the Company s or a Guarantor s liability on its Guarantee could be reduced to zero. See Risk Factors Risks Relating to the Notes Federal and state fraudulent transfer laws permit a court to void the notes and the guarantees, and if that occurs, you may not receive any payments on the notes.

Pursuant to the Indenture, a Guarantor may consolidate with, merge with or into, or transfer all or substantially all its assets to, any other Person to the extent described below under Certain Covenants Merger, Consolidation and Sale of Assets ; *provided*, *however*, that if such other Person is not the Company, such Guarantor s obligations under its Guarantee must be expressly assumed by such other Person, subject to the following paragraph.

The Guarantee of a Guarantor will be released:

(1) upon the sale or other disposition (including by way of consolidation or merger) of a Guarantor;

(2) upon the sale or disposition of all or substantially all the assets of a Guarantor;

(3) upon the designation of such Guarantor as an Unrestricted Subsidiary pursuant to the terms of the Indenture;

(4) if the Guarantor becomes an Immaterial Domestic Restricted Subsidiary or ceases to be a Subsidiary; or

(5) if the Issuer exercises its Legal Defeasance option or Covenant Defeasance option as described under Legal Defeasance and Covenant Defeasance or if its obligations under the Indenture are discharged in accordance with the terms of the Indenture as described under Satisfaction and Discharge (in which case the Guarantees of Holdings and the Company will also be released);

in the case of clauses (1) and (2), other than to the Company or an Affiliate of the Company and as permitted by the Indenture.

Change of Control

If a Change of Control occurs, each Holder will have the right to require that the Issuer purchase all or a portion of such Holder s Notes pursuant to the offer described below (the Change of Control Offer), at a purchase price equal to 101% of the principal amount thereof plus accrued interest and Additional Amounts, if any, to the date of purchase. Within 30 days following the date upon which the Change of Control occurred, the Issuer must send, in the case of Global Notes, through the facilities of DTC and, in the case of certificated notes, by first class mail, a notice to the Trustee and each Holder, which notice shall govern the terms of the Change of Control Offer. Such notice shall state, among other things, the purchase date, which must be no earlier than 30 days nor later than 60 days from the date such notice is mailed, other than as may be required by law (the Change of Control Payment Date). Holders electing to have a Note purchased pursuant to a Change of Control Offer will be required to surrender the Note, with the form entitled Option of Holder to Elect Purchase on the reverse of the Note completed, to the paying agent at the address

specified in the notice prior to the close of business on the third business day prior to the Change of Control Payment Date.

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The Credit Facilities prohibit the Company or any of its Subsidiaries from purchasing any Notes (subject to certain limited exceptions) and also provides that the occurrence of certain change of control events with respect to the Company would constitute a default under the facilities thereunder. Prior to the mailing of the notice referred to above, but in any event within 30 days following any Change of Control, the Company covenants to:

(1) repay in full all Indebtedness under the Credit Facilities and all other Senior Debt the terms of which require repayment upon a Change of Control; or

(2) obtain the requisite consents under the Credit Facilities and all such other Senior Debt to permit the repurchase of the Notes as provided below.

The Company s failure to comply with the covenant described in the immediately preceding sentence shall constitute an Event of Default described in clause (3) and not in clause (2) under Events of Default below which would, in turn, constitute a default under the Credit Facilities. In such circumstances, the subordination provisions of the Indenture would likely restrict payment to the Holders.

The Issuer will not be required to make a Change of Control Offer upon a Change of Control if (i) a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the Indenture and purchases all Notes validly tendered and not withdrawn under such Change of Control Offer or (ii) a notice of redemption has been given pursuant to the Indenture as described under Optional Redemption prior to the date on which notice of the Change of Control Offer must be sent.

A Change of Control Offer may be made in advance of a Change of Control, and conditioned upon such Change of Control occurring, if a definitive agreement is in place for the Change of Control at the time of making the Change of Control Offer.

If a Change of Control Offer is made, there can be no assurance that the Issuer will have available funds sufficient to pay the Change of Control purchase price for all the Notes that might be delivered by Holders seeking to accept the Change of Control Offer. In the event the Issuer is required to purchase outstanding Notes pursuant to a Change of Control Offer, the Issuer expects that it would seek third-party financing to the extent it does not have available funds to meet its purchase obligations. However, there can be no assurance that the Issuer would be able to obtain such financing.

The Change of Control purchase feature of the Notes may in certain circumstances make more difficult or discourage a sale or takeover of the Company and, thus, the removal of incumbent management. The Change of Control purchase feature is a result of negotiations among the Company, the Issuer and the initial purchasers. The Company has no present intention to engage in a transaction involving a Change of Control, although it is possible that it could decide to do so in the future. Subject to the limitations discussed below, the Company 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 the Company s capital structure or credit ratings.

Restrictions on the Company s ability to incur additional Indebtedness are contained in the Limitation on Incurrence of Additional Indebtedness covenant. Such restrictions can only be waived with the consent of the holders of a majority in principal amount of the Notes then outstanding. Except for the limitations contained in such covenants, however, the Indenture does not contain any covenants or provisions that may afford Holders protection in the event of a highly leveraged transaction.

Future indebtedness that the Company or the Issuer may incur may contain prohibitions on the occurrence of certain events that would constitute a Change of Control or require the repurchase of such indebtedness upon a Change of Control. Moreover, the exercise by the Holders of their right to require the Company or the Issuer to repurchase their Notes could cause a default under such indebtedness, even if the Change of Control itself does not, due to the financial effect of such repurchase on the Company or the Issuer.

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The definition of Change of Control includes a disposition of all or substantially all of the assets of the Company to any Person. Although there is a limited body of case law interpreting the phrase 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 the Company. As a result, it may be unclear as to whether a Change of Control has occurred and whether a holder of Notes may require the Company to make an offer to repurchase the Notes as described above.

The provisions under the Indenture relative to the Issuer s obligation to make an offer to repurchase the Notes as a result of a Change of Control may be waived or modified with the consent of the holders of a majority in principal amount of the Notes.

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

Certain Covenants

Covenant Suspension

The Indenture contains, among others, the following covenants. During any period of time following the Issue Date that (i) the Notes have Investment Grade Ratings from both Rating Agencies and (ii) no Default has occurred and is continuing under the Indenture (the occurrence of the events described in the foregoing clauses and (ii) being collectively referred to as a Covenant Suspension Event), the Company and its Restricted Subsidiaries will not be subject to the following provisions of the Indenture:

(1) Limitation on Incurrence of Additional Indebtedness ;

(2) Limitation on Restricted Payments ;

(3) Limitation on Asset Sales ;

(4) Limitation on Dividend and Other Payment Restrictions Affecting Subsidiaries ;

(5) Limitation on Preferred Stock of Restricted Subsidiaries ;

(6) Prohibition on Incurrence of Senior Subordinated Debt ;

(7) clause (2) of the first paragraph of Merger, Consolidation and Sale of Assets ;

(8) Limitation on Transactions with Affiliates ;

(9) Future Guarantees by Restricted Subsidiaries ; and

(10) Conduct of Business ;

(collectively, the Suspended Covenants). Upon the occurrence of a Covenant Suspension Event, the amount of Net Cash Proceeds with respect to any applicable Net Proceeds Offer Trigger Date shall be set at zero at such date (the

Suspension Date). In addition, in the event that the Company and the Restricted Subsidiaries are not subject to the Suspended Covenants 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 withdraws its Investment Grade Rating or downgrades the rating assigned to the Notes below an Investment Grade Rating or a Default or Event of Default occurs and is continuing, then the Company and the Restricted Subsidiaries will thereafter again be subject to the Suspended Covenants 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. Within 30 days of the Reversion

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Date, any Restricted Subsidiary that would have been required during the Suspension Period but for the Suspended Covenants by the Future Guarantees by Restricted Subsidiaries covenant to execute a supplemental indenture will execute such supplemental indenture required by such covenant. Notwithstanding that the Suspended Covenants may be reinstated, no Default or Event of Default will be deemed to have occurred as a result of a failure to comply with the Suspended Covenants during the Suspension Period (or upon termination of the Suspension Period or after that time based solely on events that occurred during the Suspension Period).

On the Reversion Date, all Indebtedness incurred during the Suspension Period will be classified to have been incurred or issued pursuant to the Limitation on Incurrence of Additional Indebtedness covenant to the extent such Indebtedness would be permitted to be incurred or issued thereunder as of the Reversion Date and after giving effect to Indebtedness incurred or issued prior to the Suspension Period and outstanding on the Reversion Date. To the extent such Indebtedness would not be so permitted to be incurred or issued pursuant to the Limitation on Incurrence of Additional Indebtedness covenant, such Indebtedness will be deemed to have been outstanding on the Issue Date, so that it is classified as permitted under paragraph (3) of the definition of Permitted Indebtedness. Restricted Payments made during the Suspension Period will be deemed to have been made pursuant to the first paragraph of the Limitation on Restricted Payments covenant.

There can be no assurance that the Notes will ever achieve or maintain Investment Grade Ratings.

Furthermore, if (i) a Change of Control occurs that results in either (a) the sale, lease, exchange or other transfer of all or substantially all of the assets of the Company to any Person or Group (as defined in the definition of Change of Control) other than an Affiliate (other than a Person that becomes an Affiliate solely as a result of such transaction) of the Company or (b) any Person or Group other than an Affiliate (other than a Person that becomes an Affiliate solely as a result of such transaction) of the Company becoming the beneficial owner, directly or indirectly, of shares representing 100% of the total ordinary voting power represented by the issued and outstanding Capital Stock of the Company or Holdings and (ii) such Person or Group acquiring control pursuant to clause (i) above is subject to the reporting requirements of Section 13 or 15(d) of the Exchange Act, then the Company will not be subject to the first three paragraphs of the covenant described under Reports to Holders from that time if and for so long as such Person or Group maintains Investment Grade Ratings from both Rating Agencies.

Limitation on Incurrence of Additional Indebtedness

The Company will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, create, incur, issue, assume, guarantee, acquire, become liable, contingently or otherwise, with respect to, or otherwise become responsible for payment of (collectively incur) any Indebtedness (other than Permitted Indebtedness); *provided*, *however*, that the Company and any Restricted Subsidiary may incur Indebtedness (including Acquired Indebtedness), in each case if on the date of the incurrence of such Indebtedness, after giving effect to the incurrence thereof, the Consolidated Fixed Charge Coverage Ratio of the Company would have been greater than 2.0 to 1.0; *provided*, *however*, that the amount of Indebtedness (including Acquired Indebtedness) that may be incurred pursuant to the foregoing by Restricted Subsidiaries that are not Guarantors or the Issuer shall not exceed $200 million at any one time outstanding.

Limitation on Restricted Payments

The Company will not, and will not cause or permit any of its Restricted Subsidiaries to, directly or indirectly:

(1) declare or pay any dividend or make any distribution on, or in respect of, shares of the Company s or any Restricted Subsidiary s Capital Stock to holders of such Capital Stock (other than dividends or distributions payable in

Qualified Capital Stock of the Company and dividends or distributions payable to the Company or a Restricted Subsidiary and other than pro rata dividends or other distributions made by a Subsidiary that is not a Wholly Owned Subsidiary to minority stockholders (or owners of an equivalent interest in the case of a Subsidiary that is an entity other than a corporation));

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(2) purchase, redeem or otherwise acquire or retire for value any Capital Stock of the Company or of any direct or indirect parent of the Company or of a Restricted Subsidiary of the Company held by any Affiliate of the Company (other than a Restricted Subsidiary of the Company) or any warrants, rights or options to purchase or acquire shares of any class of such Capital Stock;

(3) make any principal payment on, purchase, defease, redeem, prepay, decrease or otherwise acquire or retire for value, prior to any scheduled final maturity, scheduled repayment or scheduled sinking fund payment, any Indebtedness of the Company, of the Issuer or of any Guarantor, that is subordinate or junior in right of payment to the Notes or any Guarantee, as applicable (other than (x) any Indebtedness permitted under clause (6) of the definition of Permitted Indebtedness and (y) the purchase, defeasance or other acquisition of such Indebtedness purchased in anticipation of satisfying a sinking fund obligation, principal installment or final maturity, in each case due within one year of such purchase, defeasance or other acquisition); or

(4) make any Investment (other than Permitted Investments);

(each of the foregoing actions set forth in clauses (1), (2), (3) and (4) being referred to as a Restricted Payment), if at the time of such Restricted Payment or immediately after giving effect thereto:

(i) a Default or an Event of Default shall have occurred and be continuing; or

(ii) the aggregate amount of Restricted Payments (including such proposed Restricted Payment) made subsequent to December 14, 2010 (other than Restricted Payments made pursuant to clauses (2), (3), (4), (5), (6), (7), (8), (9), (10), (11), (12), (13) and (14) of the following paragraph) shall exceed the sum of, without duplication:

(a) $400 million; plus

(b) 50% of the cumulative Consolidated Net Income (or if cumulative Consolidated Net Income shall be a loss, minus 100% of such loss) of the Company earned subsequent to October 1, 2010 and on or prior to the date the Restricted Payment occurs (the Reference Date) (treating such period as a single accounting period); plus

(c) 100% of the aggregate net cash proceeds (including the fair market value of property (as determined by the Company in good faith), other than cash, that would constitute Marketable Securities or a Permitted Business) received by the Company from any Person (other than a Subsidiary of the Company) from the issuance and sale subsequent to December 14, 2010 and on or prior to the Reference Date of Qualified Capital Stock of the Company (other than Excluded Contributions); plus

(d) without duplication of any amounts included in clause (ii)(w) above, 100% of the aggregate net cash proceeds of any equity contribution received subsequent to December 14, 2010 by the Company from a holder of the Company s Capital Stock; plus

(e) the amount by which Indebtedness of the Company is reduced on the Company s balance sheet upon the conversion or exchange subsequent to December 14, 2010 of any Indebtedness of the Company for Qualified Capital Stock of the Company (less the amount of any cash, or the fair value of any other property, distributed by the Company upon such conversion or exchange); *provided*, *however*, that the foregoing amount shall not exceed the net cash proceeds received by the Company or any Restricted Subsidiary from the sale of such Indebtedness (excluding net cash proceeds from sales to a Subsidiary of the Company or to an employee stock ownership plan or a trust established by the Company or any of its Subsidiaries for the benefit of their employees); plus

(f) an amount equal to the sum of (I) 100% of the aggregate net proceeds (including the fair market value of property other than cash that would constitute Marketable Securities or a Permitted Business) received by the Company or any Restricted Subsidiary subsequent to December 14, 2010 (A)

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from any sale or other disposition of any Investment (other than a Permitted Investment) in any Person (including an Unrestricted Subsidiary) made by the Company and its Restricted Subsidiaries and (B) representing the return of capital or principal (excluding dividends and distributions otherwise included in Consolidated Net Income) with respect to such Investment and (II) the portion (proportionate to the Company s equity interest in an Unrestricted Subsidiary) of the fair market value of the net assets of an Unrestricted Subsidiary at any time subsequent to December 14, 2010 such Unrestricted Subsidiary is designated a Restricted Subsidiary; provided, however, that, in the case of item (II), the foregoing sum shall not exceed, in the case of any Unrestricted Subsidiary, the amount of Investments (excluding Permitted Investments) previously made (and treated as a Restricted Payment) by the Company or any Restricted Subsidiary in such Unrestricted Subsidiary.

Notwithstanding the foregoing, the provisions set forth in the immediately preceding paragraph do not prohibit:

(1) the payment of any dividend or the consummation of any irrevocable redemption within 60 days after the date of declaration of such dividend or notice of such redemption if the dividend or payment of the redemption price, as the case may be, would have been permitted on the date of declaration or notice;

(2) any Restricted Payment made out of the net cash proceeds of the substantially concurrent sale of, or made by exchange for, Qualified Capital Stock of the Company (other than Capital Stock issued or sold to a Subsidiary of the Company or an employee stock ownership plan or to a trust established by the Company or any of its Subsidiaries for the benefit of their employees and other than Designated Preferred Stock) or a substantially concurrent cash capital contribution received by the Company from its stockholders; *provided*, *however*, that the net cash proceeds from such sale or such cash capital contribution (to the extent so used for such Restricted Payment) shall be excluded from the calculation of amounts under clauses (ii)(w) and (ii)(x) of the immediately preceding paragraph;

(3) the acquisition of any Indebtedness of the Company, the Issuer or a Guarantor that is subordinate or junior in right of payment to the Notes or the applicable Guarantee through the application of net proceeds of a substantially concurrent sale for cash (other than to a Subsidiary of the Company) of Refinancing Indebtedness that is subordinate or junior in right of payment to the Notes or the applicable Guarantee;

(4) Dividend Equivalent Payments and payments to a direct or indirect parent of the Company for the purpose of permitting any of such entities to redeem or repurchase common equity or options in respect thereof, in each case in connection with the repurchase provisions of employee stock option or stock purchase agreements or other agreements to compensate management employees, or upon the death, disability, retirement, severance or termination of employment of management employees; *provided* that all such Dividend Equivalent Payments and redemptions or repurchases pursuant to this clause (4) shall not exceed in any fiscal year the sum of (A) $25 million in any fiscal year carried over to succeeding fiscal years (with unused amounts so carrying over as of the Issue Date) subject to a maximum (without giving effect to the following clause (B)) of $50 million in any fiscal year) plus (B) any amounts not utilized in any preceding fiscal year following December 14, 2010 that were otherwise available under this clause (4) for such purchases (which aggregate amount shall be increased by the amount of any net cash proceeds received from the sale since December 14, 2010 of Capital Stock (other than Disqualified Capital Stock) to members of the Company s management team that have not otherwise been applied to the payment of Restricted Payments pursuant to the terms of clause (ii) of the immediately preceding paragraph or clause (2) of this paragraph and by the cash proceeds of any key-man life insurance policies which are used to make such redemptions or repurchases); provided, further, that the cancellation of Indebtedness owing to the Company from members of management of the Company or any of its Restricted Subsidiaries in connection with any repurchase of Capital Stock of such entities (or warrants or options or rights to acquire such Capital Stock) will not be deemed to constitute a Restricted Payment under the Indenture;

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(5) the declaration and payment of dividends by the Company to, or the making of loans to, its direct parent company in amounts required for the Company s direct or indirect parent companies to pay

(A) franchise taxes and other fees, taxes and expenses required to maintain their corporate existence,

(B) Federal, state and local income taxes, to the extent such income taxes are attributable to the income of the Company and the Restricted Subsidiaries and, to the extent of the amount actually received from its Unrestricted Subsidiaries, in amounts required to pay such taxes to the extent attributable to the income of such Unrestricted Subsidiaries; *provided, however*, that the amount of such payments in any fiscal year does not exceed the amount that the Company and its consolidated Subsidiaries would be required to pay in respect of Federal, state and local taxes for such fiscal year were the Company to pay such taxes as a stand-alone taxpayer,

(C) customary salary, bonus and other benefits payable to officers and employees of any direct or indirect parent company of the Company to the extent such salaries, bonuses and other benefits are attributable to the ownership or operation of the Company and the Restricted Subsidiaries,

(D) general corporate overhead expenses of any direct or indirect parent company of the Company to the extent such expenses are attributable to the ownership or operation of the Company and the Restricted Subsidiaries, and

(E) reasonable fees and expenses incurred in connection with any unsuccessful debt or equity offering by such direct or indirect parent company of the Company;

(6) repurchases of Capital Stock deemed to occur upon the exercise of stock options, warrants or other convertible or exchangeable securities if such Capital Stock represents a portion of the exercise price thereof or the withholding of a portion of such Capital Stock to pay the taxes payable on account of such exercise;

(7) additional Restricted Payments in an aggregate amount not to exceed $75.0 million;

(8) [intentionally omitted];

(9) payments of dividends on Disqualified Capital Stock issued in compliance with the Limitation on Incurrence of Additional Indebtedness covenant;

(10) Restricted Payments made with Net Cash Proceeds from Asset Sales remaining after application thereof as required by the Limitation on Asset Sales covenant (including after the making by the Issuer of any Net Proceeds Offer required to be made by the Issuer pursuant to such covenant and the application of the entire Net Proceeds Offer Amount to purchase Notes tendered therein);

(11) the repayment or extension of intercompany debt that is permitted under the Indenture;

(12) cash payments in lieu of fractional shares in connection with the exercise of warrants, stock options or other securities convertible into or exchangeable into Capital Stock of the Company;

(13) upon occurrence of a Change of Control, and within 60 days after the completion of the Change of Control Offer pursuant to the Change of Control covenant (including the purchase of all Notes tendered), any purchase or redemption of Obligations of the Issuer or the Company that are subordinate or junior in right of payment to the Notes or the Guarantee required pursuant to the terms thereof as a result of such Change of Control at a purchase or redemption price not to exceed 101% of the outstanding principal amount thereof, plus accrued and unpaid interest

thereon and Additional Amounts, if any; provided, however, that (A) at the time of such purchase or redemption, no Default or Event of Default shall have occurred and be continuing (or would result therefrom) and (B) such purchase or redemption is not made,

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directly or indirectly, from the proceeds of (or made in anticipation of) any issuance of Indebtedness by the Company or any Subsidiary; and

(14) Restricted Payments that are made with Excluded Contributions.

Notwithstanding any of the foregoing to the contrary, the Company and its Restricted Subsidiaries may make any Restricted Payment so long as (1) no Default or Event of Default has occurred and is continuing and (2) at the time of such Restricted Payment and after giving pro forma effect thereto, the Company s Consolidated Fixed Charge Coverage Ratio would exceed 2.0 to 1.0; *provided*, *however*, that if at any time the criteria set forth in the preceding clause (2) cease to be satisfied, all Restricted Payments made by the Company or any of its Restricted Subsidiaries occurring on or after the date on which such criteria ceased to be satisfied shall be required to be made, to the extent permitted thereby, in compliance with the preceding paragraphs of this covenant, and the amount available for Restricted Payments pursuant to clause (ii) of the first paragraph of this covenant on or after the date on which such criteria ceases to be satisfied shall be equal to the amount that would have been available for Restricted Payments pursuant to such clause (ii) on such date without giving effect to any Restricted Payments made through such date pursuant to and in compliance with this paragraph; provided, further, that if the Company or any of its Restricted Subsidiaries become contractually obligated to make any Restricted Payment at the time criteria set forth in the preceding clauses (1) and (2) continues to be satisfied, then the Company or such Restricted Subsidiary, as the case may be, may continue to make such Restricted Payments, even if the criteria in such clauses (1) and (2) ceases to be satisfied at the time such Restricted Payment is actually made, notwithstanding the limitation set forth in the preceding proviso, and the amount available for Restricted Payments pursuant to clause (ii) of the first paragraph of this covenant on or after the date on which such criteria ceases to be satisfied shall be equal to the amount that would have been available for Restricted Payments pursuant to such clause (ii) on such date without giving effect to any Restricted Payments made on such date pursuant to and in compliance with this proviso.

For purposes of determining compliance with this covenant, in the event that a payment or other action meets the criteria of more than one of the exceptions described in clauses (1) through (14) above, or is permitted to be made pursuant to clause (ii) of the first paragraph of this covenant (including by virtue of qualifying as Permitted Investment), the Company will be permitted to classify such payment or other action on the date of its occurrence in any manner that complies with this covenant. Payments or other actions permitted by this covenant need not be permitted solely by reference to one provision permitting such payment or other action but may be permitted in part by one such provision and in part by one or more other provisions of this covenant permitting such payment or other action (including pursuant to any section of the definition of Permitted Investment).

The Board of Directors of the Company may designate any Restricted Subsidiary of the Company (other than the Issuer) to be an Unrestricted Subsidiary as specified in the definition of Unrestricted Subsidiary. For purposes of making such determination, all outstanding Investments by the Company and its Restricted Subsidiaries (except to the extent repaid in cash) in the Subsidiary so designated will be deemed to be Restricted Payments at the time of the designation and will reduce the amount available for Restricted Payments under the first paragraph of this covenant. All of those outstanding Investments will be deemed to constitute Investments in an amount equal to the fair market value of the Investments at the time of such designation. Such designation will only be permitted if the Restricted Payment would be permitted at the time and if the Restricted Subsidiary otherwise meets the definition of an Unrestricted Subsidiary.

Limitation on Asset Sales

The Company will not, and will not permit any of its Restricted Subsidiaries to, consummate an Asset Sale unless:

(1) the Company or the applicable Restricted Subsidiary, as the case may be, receives consideration at the time of such Asset Sale at least equal to the fair market value of the assets sold or otherwise disposed of (as determined in good faith by the Company);

(2) at least 75% of the consideration received by the Company or the Restricted Subsidiary, as the case may be, from such Asset Sale shall be in the form of cash or Cash Equivalents; provided that the amount of:

(a) any liabilities (as shown on the Company s or such Restricted Subsidiary s most recent balance sheet or in the footnotes thereto, or if incurred or accrued subsequent to the date of such balance sheet, such liabilities that would have been shown on the Company s or such Restricted Subsidiary s balance or the footnotes thereto if such incurrence or accrual had taken place on the date of such balance sheet, as determined by the Company) of the Company or any such Restricted Subsidiary (other than liabilities that are by their terms subordinated to the Notes) that are assumed by the transferee of any such assets;

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

(c) any Designated Non-cash Consideration received by the Company or any of its Restricted Subsidiaries in such Asset Sale having an aggregate fair market value, taken together with all other Designated Non-cash Consideration received pursuant to this clause (c) after December 14, 2010 that is at that time outstanding, not to exceed the greater of $150 million and 5% 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), shall, in each of (a), (b) and (c) above, be deemed to be cash for the purposes of this provision or for purposes of the second paragraph of this covenant; and

(3) upon the consummation of an Asset Sale, the Company shall apply, or cause such Restricted Subsidiary to apply, the Net Cash Proceeds relating to such Asset Sale within 545 days of receipt thereof either (A) to prepay any Senior Debt, or Indebtedness of a Restricted Subsidiary that is neither the Issuer nor a Guarantor and, in the case of any such Indebtedness under any revolving credit facility, effect a corresponding reduction in the availability under such revolving credit facility (or effect a permanent reduction in the availability under such revolving credit facility regardless of the fact that no prepayment is required in order to do so (in which case no prepayment should be required)), (B) to reinvest in Productive Assets (*provided* that this requirement shall be deemed satisfied if the Company or such Restricted Subsidiary by the end of such 545-day period has entered into a binding agreement under which it is contractually committed to reinvest in Productive Assets and such investment is consummated within 120 days from the date on which such binding agreement is entered into and, with respect to the amount of such investment, the reference to the 546th day after an Asset Sale in the second following sentence shall be deemed to be a reference to the 121st day after the date on which such binding agreement is entered into (but only if such 121st day occurs later than such 546th day)) or (C) a combination of prepayment and investment permitted by the foregoing clauses (3)(A) and (3)(B). Pending the final application of any such Net Cash Proceeds, the Company or such Restricted Subsidiary may temporarily reduce Indebtedness under a revolving credit facility, if any, or otherwise invest such Net Cash Proceeds in Cash Equivalents. On the 546th day after an Asset Sale or such earlier date, if any, as the Board of Directors of the Company or of such Restricted Subsidiary determines by Board Resolution not to apply the Net Cash Proceeds relating to such Asset Sale as set forth in clauses (3)(A), (3)(B) and (3)(C) of the next preceding sentence (each, a Net Proceeds Offer Trigger Date), such aggregate amount of Net Cash Proceeds which have not been applied on or before such Net Proceeds Offer Trigger Date as permitted in clauses (3)(A), (3)(B) and (3)(C) of the next preceding sentence (each a Net Proceeds Offer Amount) shall be applied by the Company or such Restricted Subsidiary to make an offer to purchase (the Net Proceeds Offer) on a date not less than 30 nor more than 60 days following the applicable Net Proceeds Offer Trigger Date, from all Holders and holders of any other Senior Subordinated Debt of the Company or a Restricted Subsidiary requiring the making of such an offer, on a pro rata basis, the maximum amount of Notes and such other Senior Subordinated Debt that may be purchased with the Net Proceeds Offer Amount at a price equal to 100% of their principal amount (or, in the event such other Senior

Subordinated Debt was issued with significant original issue

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discount, 100% of the accreted value thereof), plus accrued and unpaid interest thereon and Additional Amounts, if any, to the date of purchase (or, in respect of such other Senior Subordinated Debt, such lesser price, if any, as may be provided for by the terms of such Senior Subordinated Debt); *provided*, *however*, that if at any time any non-cash consideration (including any Designated Non-cash Consideration) received by the Company or any Restricted Subsidiary of the Company, as the case may be, in connection with any Asset Sale is converted into or sold or otherwise disposed of for cash (other than interest received with respect to any such non-cash consideration), then such conversion or disposition shall be deemed to constitute an Asset Sale hereunder and the Net Cash Proceeds thereof shall be applied in accordance with this covenant. Notwithstanding the foregoing, if a Net Proceeds Offer Amount is less than $40.0 million, the application of the Net Cash Proceeds constituting such Net Proceeds Offer Amount to a Net Proceeds Offer may be deferred until such time as such Net Proceeds Offer Amount plus the aggregate amount of all Net Proceeds Offer Amounts arising subsequent to the Net Proceeds Offer Trigger Date relating to such initial Net Proceeds Offer Amount from all Asset Sales by the Company and its Restricted Subsidiaries aggregates at least $40.0 million, at which time the Company or such Restricted Subsidiary shall apply all Net Cash Proceeds constituting all Net Proceeds Offer Amounts that have been so deferred to make a Net Proceeds Offer (the first date the aggregate of all such deferred Net Proceeds Offer Amounts is equal to $40.0 million or more shall be deemed to be a Net Proceeds Offer Trigger Date).

Notwithstanding the immediately preceding paragraph, the Company and its Restricted Subsidiaries will be permitted to consummate an Asset Sale without complying with such paragraph to the extent that:

(1) at least 75% of the consideration for such Asset Sale constitutes Productive Assets, cash, Cash Equivalents and/or Marketable Securities; and

(2) such Asset Sale is for fair market value (as determined in good faith by the Company); provided that any consideration consisting of cash, Cash Equivalents and/or Marketable Securities received by the Company or any of its Restricted Subsidiaries in connection with any Asset Sale permitted to be consummated under this paragraph shall constitute Net Cash Proceeds subject to the provisions of the preceding paragraph.

Notice of each Net Proceeds Offer will be sent to DTC, in the case of Global Notes, or mailed to the record Holders as shown on the register of Holders, in the case of certificated notes, within 30 days following the Net Proceeds Offer Trigger Date, with a copy to the Trustee, and shall comply with the procedures set forth in the Indenture. Upon receiving notice of the Net Proceeds Offer, Holders may elect to tender their Notes in whole or in part in integral multiples of $1,000 (but in minimum amounts of $200,000) in exchange for cash. To the extent Holders properly tender Notes in an amount exceeding the Net Proceeds Offer Amount, Notes of tendering Holders will be purchased in accordance with the depository s procedures (based on amounts tendered). A Net Proceeds Offer shall remain open for a period of 20 business days or such longer period as may be required by law. To the extent that the aggregate amount of Notes and other Senior Subordinated Debt tendered pursuant to a Net Proceeds Offer is less than the Net Proceeds Offer Amount, the Company may use any remaining Net Proceeds Offer Amount for general corporate purposes or for any other purpose not prohibited by the Indenture. Upon completion of any such Net Proceeds Offer, the Net Proceeds Offer Amount shall be reset at zero.

The Issuer and the Company 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 and regulations are applicable in connection with the repurchase of Notes pursuant to a Net Proceeds Offer. To the extent that the provisions of any securities laws or regulations conflict with the Asset Sale provisions of the Indenture, the Issuer and the Company shall comply with the applicable securities laws and regulations and shall not be deemed to have breached its obligations under the Asset Sale provisions of the Indenture by virtue thereof.

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Limitation on Dividend and Other Payment Restrictions Affecting Subsidiaries

The Company will not, and will not cause or permit any of its Restricted Subsidiaries to, directly or indirectly, create or otherwise cause or permit to exist or become effective any consensual encumbrance or consensual restriction on the ability of any Restricted Subsidiary of the Company to:

(1) pay dividends or make any other distributions on, or in respect of, its Capital Stock;

(2) make loans or advances or pay any Indebtedness or other obligation owed to the Company, the Issuer or any Guarantor; or

(3) transfer any of its property or assets to the Company, the Issuer or any Guarantor,

except, with respect to clauses (1), (2) and (3), for such encumbrances or restrictions existing under or by reason of:

(a) applicable law, rule, regulation or order;

(b) the Indenture, the Notes, the 2020 Notes, the 2022 Notes, the 2024 Notes, the 2025 Notes, the 2026 Notes and the Guarantees;

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

(d) any instrument governing Acquired Indebtedness, which encumbrance or restriction is not applicable to any Person, or the properties or assets of any Person, other than the Person or the properties or assets of the Person so acquired;

(e) the Credit Facilities as entered into or existing on the Issue Date or any amendments, modifications, restatements, renewals, increases, supplements, refundings, replacements or refinancings thereof; *provided* that any restrictions imposed pursuant to any such amendment, modification, restatement, renewal, increase, supplement, refunding, replacement or refinancing are ordinary and customary with respect to syndicated bank loans (under the relevant circumstances);

(f) agreements existing on the Issue Date to the extent and in the manner such agreements are in effect on the Issue Date;

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

(h) restrictions imposed by any agreement to sell assets or Capital Stock permitted under the Indenture to any Person pending the closing of such sale;

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

(j) any Purchase Money Note or other Indebtedness or other contractual requirements of a Securitization Entity in connection with a Qualified Securitization Transaction; provided that such restrictions apply only to such Securitization Entity;

(k) other Indebtedness or Permitted Subsidiary Preferred Stock outstanding on the Issue Date or permitted to be issued or incurred under the Indenture; *provided* that any such restrictions are ordinary and customary with respect to the type of Indebtedness being incurred or Preferred Stock being issued (under the relevant circumstances);

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

(m) any encumbrances or restrictions 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 (d) and (f) through (l) above; *provided* that

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such amendments, modifications, restatements, renewals, increases, supplements, refundings, replacements or refinancings are, in the good faith judgment of the Company s Board of Directors (evidenced by a Board Resolution) whose judgment shall be conclusively binding, not materially more restrictive with respect to such dividend and other payment restrictions than those contained in the dividend or other payment restrictions prior to such amendment, modification, restatement, renewal, increase, supplement, refunding, replacement or refinancing;

(n) customary provisions in joint venture, partnership, asset sale, sale leaseback and other similar agreements; and

(o) customary provisions in leases and other agreements entered into in the ordinary course of business.

Limitation on Preferred Stock of Restricted Subsidiaries

The Company will not permit any of its Restricted Subsidiaries to issue any Preferred Stock (other than to the Company or to a Restricted Subsidiary of the Company) or permit any Person (other than the Company or a Restricted Subsidiary of the Company) to own any Preferred Stock of any Restricted Subsidiary of the Company, other than Permitted Subsidiary Preferred Stock. The provisions of this covenant will not apply to (w) the Issuer or any of the Guarantors, (x) any transaction as a result of which neither the Company nor any of its Restricted Subsidiaries will own any Capital Stock of the Restricted Subsidiary whose Preferred Stock is being issued or sold and (y) Preferred Stock that is Disqualified Capital Stock and is issued in compliance with the Limitation on Incurrence of Additional Indebtedness covenant.

Limitation on Liens

The Company will not, and will not cause or permit the Issuer or any Guarantor to, incur any Secured Debt that is not Senior Debt of such Person, unless contemporaneously therewith such Person makes effective provision to secure the Notes or the relevant Guarantee, as applicable, equally and ratably with such Secured Debt for so long as such Secured Debt is secured by a Lien (the Initial Lien). Any Lien created for the benefit of the Holders pursuant to the preceding sentence shall provide by its terms that such Lien shall be automatically and unconditionally released and discharged upon the release and discharge of the Lien securing the other Secured Debt and that holders of such other Secured Debt may exclusively control the disposition of property subject to the Initial Lien.

Prohibition on Incurrence of Senior Subordinated Debt

The Company will not, and will not permit the Issuer or any Guarantor to, incur or suffer to exist Indebtedness that is senior in right of payment to the Notes or the Guarantee of the Company or such Guarantor, as the case may be, and subordinate in right of payment to any other Indebtedness of the Company, the Issuer or such Guarantor, as the case may be. For the avoidance of doubt, unsecured Indebtedness is not subordinated or junior to Secured Debt merely because it is unsecured.

Merger, Consolidation and Sale of Assets

The Company will not, in a single transaction or series of related transactions, consolidate or merge with or into any Person, or sell, assign, transfer, lease, convey or otherwise dispose of (or cause or permit any Restricted Subsidiary of the Company to sell, assign, transfer, lease, convey or otherwise dispose of) all or substantially all of the Company s assets (determined on a consolidated basis for the Company and the Company s Restricted Subsidiaries) to any Person unless:

(1) either:

(a) the Company shall be the surviving or continuing corporation; or

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(b) the Person (if other than the Company) formed by such consolidation or into which the Company is merged or the Person which acquires by sale, assignment, transfer, lease, conveyance or other disposition the properties and assets of the Company and of the Company s Restricted Subsidiaries substantially as an entirety (the Surviving Entity):

(x) shall be a corporation, partnership, limited liability company or similar entity organized and validly existing under the laws of the United States of America or any State thereof or the District of Columbia; and

(y) shall expressly assume, by supplemental indenture (in form and substance satisfactory to the Trustee), executed and delivered to the Trustee, all of the Company s obligations under its Guarantee and the performance of every covenant of the Notes, the Indenture and the Registration Rights Agreement to be performed or observed on the part of the Company;

(2) except in the case of a merger of the Company with or into a Restricted Subsidiary of the Company, and except in the case of a merger entered into solely for the purpose of reincorporating the Company in another jurisdiction, immediately after giving effect to such transaction and the assumption contemplated by clause (1)(b)(y) above (including giving effect to any Indebtedness and Acquired Indebtedness incurred in connection with or in respect of such transaction), the Company or such Surviving Entity, as the case may be, shall be able to incur at least $1.00 of additional Indebtedness (other than Permitted Indebtedness) pursuant to the Limitation on Incurrence of Additional Indebtedness covenant, or the Consolidated Fixed Charge Coverage Ratio for the Surviving Entity and its Restricted Subsidiaries on a consolidated basis would be greater than such ratio for the Company and the Restricted Subsidiaries immediately prior to such transaction;

(3) except in the case of a merger of the Company with or into a Restricted Subsidiary of the Company, and except in the case of a merger entered into solely for the purpose of reincorporating the Company in another jurisdiction, immediately after giving effect to such transaction and the assumption contemplated by clause (1)(b)(y) above (including giving effect to any Indebtedness and Acquired Indebtedness incurred and any Lien granted in connection with or in respect of the transaction), no Default or Event of Default shall have occurred or be continuing; and

(4) the Company or the Surviving Entity shall have delivered to the Trustee an officers certificate and an opinion of counsel, each stating that such consolidation, merger, sale, assignment, transfer, lease, conveyance or other disposition and, if a supplemental indenture is required in connection with such transaction, such supplemental indenture comply with the applicable provisions of the Indenture and that all conditions precedent in the Indenture relating to such transaction have been satisfied.

For purposes of the foregoing, the transfer (by lease, assignment, sale or otherwise, in a single transaction or series of transactions) of all or substantially all of the properties or assets of one or more Restricted Subsidiaries of the Company the Capital Stock of which constitutes all or substantially all of the properties and assets of the Company, shall be deemed to be the transfer of all or substantially all of the properties and assets of the Company. However, transfer of assets between or among the Company and its Restricted Subsidiaries will not be subject to this covenant.

The Indenture provides that upon any consolidation, combination or merger or any transfer of all or substantially all of the assets of the Company in accordance with the foregoing, in which the Company is not the continuing corporation, the successor Person formed by such consolidation or into which the Company is merged or to which such conveyance, lease or transfer is made shall succeed to, and be substituted for, and may exercise every right and power of, the Company under the Indenture and the Notes with the same effect as if such surviving entity had been named as such and that, in the event of a conveyance or transfer (but not a lease), the conveyor or transferor (but not a lessor) will be released from the provisions of the Indenture.

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The Issuer will not, in a single transaction or series of related transactions, consolidate or merge with or into any Person, or sell, assign, transfer, lease, convey or otherwise dispose of all or substantially all of the Issuer s assets to any Person unless:

(1) either:

(a) the Issuer shall be the surviving or continuing corporation; or

(b) the Person (if other than the Issuer) formed by such consolidation or into which the Issuer is merged or the Person which acquires by sale, assignment, transfer, lease, conveyance or other disposition the properties and assets of the Issuer substantially as an entirety (the Surviving Entity):

(x) shall be a corporation, partnership, limited liability company or similar entity organized and validly existing under the laws of England and Wales, the United States of America or any State thereof or the District of Columbia; and

(y) shall expressly assume, by supplemental indenture (in form and substance satisfactory to the Trustee), executed and delivered to the Trustee, the due and punctual payment of the principal of, premium or Additional Amounts, if any, and interest on all of the Notes and the performance of every covenant of the Notes, the Indenture and the Registration Rights Agreement to be performed or observed on the part of the Issuer; provided, that at any time the Issuer or its successor is not a corporation, there shall be a co-issuer of the Notes that is a corporation;

(2) except in the case of a merger of the Issuer with or into the Company or a Restricted Subsidiary of the Company, and except in the case of a merger entered into solely for the purpose of reincorporating the Issuer in another jurisdiction, immediately after giving effect to such transaction and the assumption contemplated by clause (1)(b)(y) above (including giving effect to any Indebtedness and Acquired Indebtedness incurred and any Lien granted in connection with or in respect of the transaction), no Default or Event of Default shall have occurred or be continuing; and

(3) the Issuer or the Surviving Entity shall have delivered to the Trustee an officers certificate and an opinion of counsel, each stating that such consolidation, merger, sale, assignment, transfer, lease, conveyance or other disposition and, if a supplemental indenture is required in connection with such transaction, such supplemental indenture comply with the applicable provisions of the Indenture and that all conditions precedent in the Indenture relating to such transaction have been satisfied.

The Indenture provides that upon any consolidation, combination or merger or any transfer of all or substantially all of the assets of the Issuer in accordance with the foregoing, in which the Issuer is not the continuing corporation, the successor Person formed by such consolidation or into which the Issuer is merged or to which such conveyance, lease or transfer is made shall succeed to, and be substituted for, and may exercise every right and power of, the Issuer under the Indenture and the Notes with the same effect as if such surviving entity had been named as such and that, in the event of a conveyance or transfer (but not a lease), the conveyor or transferor (but not a lessor) will be released from the provisions of the Indenture.

The Company will not permit any Guarantor to consolidate or merge with or into, or sell, assign, transfer, lease, convey or otherwise dispose of, in a single transaction or series of related transactions, all or substantially all of its assets to any Person unless:

(1) (except in the case of a Guarantor that has been disposed of in its entirety to another Person (other than to the Company or an Affiliate of the Company), whether through a merger, consolidation or sale of Capital Stock or through the sale of all or substantially all of its assets (such sale constituting the disposition of such Guarantor in its entirety), if in connection therewith the Company provides an officers certificate to the Trustee to the effect that the Company will comply with its obligations under the Limitation on Asset Sales covenant in respect of such disposition) the resulting, surviving or transferee Person (if not such Guarantor) shall be a Person organized and validly existing under the laws of the jurisdiction under which

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such Guarantor was organized or under the laws of the United States of America, any State thereof or the District of Columbia, and such Person shall expressly assume, by a supplemental indenture (in form and substance satisfactory to the Trustee), executed and delivered to the Trustee, all the obligations of such Guarantor, if any, under its Guarantee;

(2) except in the case of a merger of a Guarantor with or into the Company, the Issuer or another Guarantor and except in the case of a merger entered into solely for the purpose of reincorporating a Guarantor in another jurisdiction, immediately after giving effect to such transaction and the assumption contemplated by the immediately preceding clause (1) (including giving effect to any Indebtedness and Acquired Indebtedness incurred and any Lien granted in connection with or in respect of the transaction), no Default or Event of Default shall have occurred and be continuing; and

(3) the Company shall have delivered to the Trustee an officers certificate and an opinion of counsel, each stating that such consolidation, merger, sale, assignment, transfer, lease, conveyance or other disposition and, if a supplemental indenture is required in connection with such transaction, such supplemental indenture comply with the applicable provisions of the Indenture and that all conditions precedent in the Indenture relating to such transaction have been satisfied.

Holdings will not consolidate or merge with or into, or sell, assign, transfer, lease or otherwise dispose of, in a single transaction or series of related transactions, all or substantially all of its assets to any Person unless:

(1) the resulting, surviving or transferee Person (if not Holdings) shall be a Person organized and validly existing under the laws of the United States of America, any State thereof or the District of Columbia, and such Person shall expressly assume, by a supplemental indenture (in form and substance satisfactory to the Trustee), executed and delivered to the Trustee, all the obligations of Holdings, if any, under its Guarantee;

(2) except in the case of a merger entered into solely for reincorporating Holdings in another jurisdiction, immediately after giving effect to such transaction and the assumption contemplated by the immediately preceding clause (1) (including giving effect to any Indebtedness and Acquired Indebtedness incurred and any Lien granted in connection with or in respect of the transaction), no Default or Event of Default shall have occurred and be continuing; and

(3) the Issuer shall have delivered to the Trustee an officers certificate and an opinion of counsel, each stating that such consolidation, merger, sale, assignment, transfer, lease, conveyance or other disposition and, if a supplemental indenture is required in connection with such transaction, such supplemental indenture comply with the applicable provisions of the Indenture and that all conditions precedent in the Indenture relating to such transaction have been satisfied.

Limitation on Transactions with Affiliates

The Company will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, enter into or permit to occur any transaction or series of related transactions (including the purchase, sale, lease or exchange of any property or the rendering of any service) with, or for the benefit of, any of its Affiliates (an Affiliate Transaction) involving aggregate payment or consideration in excess of $20.0 million, unless:

(1) such Affiliate Transaction is on terms that are not materially less favorable to the Company or the relevant Restricted Subsidiary than those that might reasonably have been obtained in a comparable transaction at such time on an arm s-length basis from a Person that is not an Affiliate of the Company and

(2) the Company delivers to the Trustee with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate payments or consideration in excess of $30.0 million, a Board Resolution adopted by the majority of the members of the Board of Directors of the Company approving such Affiliate Transaction and an officers certificate certifying that such Affiliate Transaction complies with clause (1) above.

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The restrictions set forth in the first paragraph of this covenant shall not apply to:

(1) reasonable fees and compensation paid to, and indemnity provided on behalf of, officers, directors, employees or consultants of the Company or any Restricted Subsidiary of the Company as determined in good faith by the Company s Board of Directors or senior management;

(2) transactions between or among the Company and any of its Restricted Subsidiaries or between or among such Restricted Subsidiaries; *provided* that such transactions are not otherwise prohibited by the Indenture;

(3) any agreement as in effect as of the Issue Date or any amendment thereto or any transaction contemplated thereby (including pursuant to any amendment thereto) 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 than the original agreement as in effect on the Issue Date as determined in good faith by the Company;

(4) Restricted Payments or Permitted Investments permitted by the Indenture;

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

(6) [intentionally omitted];

(7) payments or loans to employees or consultants that are approved by the Board of Directors of the Company in good faith;

(8) sales of Qualified Capital Stock;

(9) the existence of, or the performance by the Company or any of its Restricted Subsidiaries of its obligations under the terms of, any stockholders agreement (including any registration rights agreement or purchase agreement related thereto) to which it is a party as of the Issue Date and any similar agreements which it may enter into thereafter; *provided*, *however*, that the existence of, or the performance by the Company or any of its Restricted Subsidiaries of obligations under, any future amendment to any such existing agreement or under any similar agreement entered into after the Issue Date shall only be permitted by this clause (9) to the extent that the terms of any such amendment or new agreement taken as a whole are not materially disadvantageous to the Holders;

(10) transactions permitted by, and complying with, the provisions of the Merger, Consolidation and Sale of Assets covenant;

(11) any issuance of securities or other payments, awards, grants in cash, securities or otherwise pursuant to, or the funding of, employment arrangements, stock options and stock ownership plans approved by the Board of Directors of the Company;

(12) [intentionally omitted]; and

(13) transactions in which the Company or any Restricted Subsidiary, as the case may be, receives an opinion from a nationally recognized investment banking, appraisal or accounting firm that such Affiliate Transaction is either fair, from a financial standpoint, to the Company or such Restricted Subsidiary or is on terms not materially less favorable than those that might reasonably have been obtained in a comparable transaction at such time on an arm s length basis from a Person that is not an Affiliate of the Company.

Future Guarantees by Restricted Subsidiaries

The Company will not, and will not permit any of its Restricted Subsidiaries to, create or acquire another Domestic Restricted Subsidiary unless such Domestic Restricted Subsidiary within 20 business days executes and delivers a supplemental indenture to the Indenture, providing for a senior subordinated guarantee of payment of the Notes by such Domestic Restricted Subsidiary*; provided*, *however*, that such Domestic Restricted Subsidiary need not execute and deliver such a supplemental indenture for so long as such Domestic Restricted

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