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

FORM 10-Q

(Mark One)

☒ **Quarterly report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

For the quarterly period ended June 30, 2018

or

☐ **Transition report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

For the transition period from to

Commission File Number: 001-33500

JAZZ PHARMACEUTICALS PUBLIC LIMITED COMPANY
(Exact name of registrant as specified in its charter)

Ireland	**98-1032470**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**

Fifth Floor, Waterloo Exchange,
Waterloo Road, Dublin 4, Ireland
011-353-1-634-7800
(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

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

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒		Accelerated filer	☐
Non-accelerated filer	☐	(Do not check if a smaller reporting company)	Smaller reporting company	☐
Emerging growth company	☐			

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

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

As of July 31, 2018, 60,409,148 ordinary shares of the registrant, nominal value $0.0001 per share, were outstanding.

JAZZ PHARMACEUTICALS PLC
QUARTERLY REPORT ON FORM 10-Q FOR THE QUARTER ENDED JUNE 30, 2018

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We own or have rights to various copyrights, trademarks and trade names used in our business in the U.S. and/or other countries, including the following: Jazz Pharmaceuticals®, Xyrem® (sodium oxybate) oral solution, Erwinaze® (asparaginase *Erwinia chrysanthemi*), Erwinase®, Defitelio® (defibrotide sodium), Defitelio® (defibrotide), Prialt® (ziconotide) intrathecal infusion, CombiPlex® and Vyxeos® (daunorubicin and cytarabine) liposome for injection. This report also includes trademarks, service marks and trade names of other companies. Trademarks, service marks and trade names appearing in this Quarterly Report on Form 10-Q are the property of their respective owners.

PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

JAZZ PHARMACEUTICALS PLC
CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands)
(Unaudited)

	June 30, 2018	December 31, 2017
ASSETS		
Current assets:		
Cash and cash equivalents	$ 485,081	$ 386,035
Investments	330,000	215,000
Accounts receivable, net of allowances	278,441	224,129
Inventories	46,156	43,245
Prepaid expenses	33,586	23,182
Other current assets	55,634	76,686
Assets held for sale	78,033	—
Total current assets	1,306,931	968,277
Property, plant and equipment, net	188,086	170,080
Intangible assets, net	2,842,277	2,979,127
Goodwill	936,493	947,537
Deferred tax assets, net	40,997	34,559
Deferred financing costs	10,779	7,673
Other non-current assets	23,404	16,419
Total assets	$ 5,348,967	$ 5,123,672
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 31,379	$ 24,368
Accrued liabilities	258,794	198,779
Current portion of long-term debt	33,387	40,605
Income taxes payable	17,934	21,577
Deferred revenue	6,456	8,618
Total current liabilities	347,950	293,947
Deferred revenue, non-current	12,288	16,115
Long-term debt, less current portion	1,558,314	1,540,433
Deferred tax liabilities, net	354,932	383,472
Other non-current liabilities	205,731	176,608
Commitments and contingencies (Note 9)		
Shareholders' equity:		
Ordinary shares	6	6
Non-voting euro deferred shares	55	55
Capital redemption reserve	472	472
Additional paid-in capital	2,037,091	1,935,486
Accumulated other comprehensive loss	(168,228)	(140,878)
Retained earnings	1,000,356	917,956
Total shareholders' equity	2,869,752	2,713,097
Total liabilities and shareholders' equity	$ 5,348,967	$ 5,123,672

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

JAZZ PHARMACEUTICALS PLC
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(In thousands, except per share amounts)
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2018	2017	2018	2017
Revenues:				
Product sales, net	$ 496,095	$ 389,655	$ 936,942	$ 763,333
Royalties and contract revenues	4,384	4,731	8,150	7,106
Total revenues	500,479	394,386	945,092	770,439
Operating expenses:				
Cost of product sales (excluding amortization of intangible assets)	34,714	28,672	68,633	53,737
Selling, general and administrative	158,579	132,328	365,792	276,583
Research and development	56,132	40,157	118,799	85,085
Intangible asset amortization	54,959	26,186	107,966	51,851
Impairment charges	42,896	—	42,896	—
Acquired in-process research and development	—	2,000	—	2,000
Total operating expenses	347,280	229,343	704,086	469,256
Income from operations	153,199	165,043	241,006	301,183
Interest expense, net	(19,646)	(18,294)	(40,251)	(37,138)
Foreign exchange loss	(2,697)	(5,427)	(4,425)	(6,891)
Loss on extinguishment and modification of debt	(1,425)	—	(1,425)	—
Income before income tax provision and equity in loss of investees	129,431	141,322	194,905	257,154
Income tax provision	36,524	35,515	55,670	64,675
Equity in loss of investees	586	203	923	364
Net income	$ 92,321	$ 105,604	$ 138,312	$ 192,115
Net income per ordinary share:				
Basic	$ 1.53	$ 1.76	$ 2.30	$ 3.20
Diluted	$ 1.50	$ 1.72	$ 2.26	$ 3.13
Weighted-average ordinary shares used in per share calculations - basic	60,177	60,100	60,053	59,991
Weighted-average ordinary shares used in per share calculations - diluted	61,438	61,463	61,309	61,321

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

JAZZ PHARMACEUTICALS PLC
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In thousands)
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2018	2017	2018	2017
Net income	$ 92,321	$ 105,604	$ 138,312	$ 192,115
Other comprehensive income (loss):				
Foreign currency translation adjustments	(70,814)	90,320	(31,961)	108,432
Unrealized gain (loss) on hedging activities, net of tax expense (benefit) of $193, $(104), $651 and $(193), respectively	1,354	(726)	4,558	(1,348)
Other comprehensive income (loss)	(69,460)	89,594	(27,403)	107,084
Total comprehensive income	$ 22,861	$ 195,198	$ 110,909	$ 299,199

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

JAZZ PHARMACEUTICALS PLC
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)
(Unaudited)

	Six Months Ended June 30,	
	2018	**2017**
Operating activities		
Net income	$ 138,312	$ 192,115
Adjustments to reconcile net income to net cash provided by operating activities:		
Intangible asset amortization	107,966	51,851
Share-based compensation	50,615	52,453
Impairment charges	42,896	—
Depreciation	7,457	6,223
Acquired in-process research and development	—	2,000
Loss on disposal of property, plant and equipment	115	457
Deferred income taxes	(32,228)	(29,956)
Provision for losses on accounts receivable and inventory	2,670	1,548
Loss on extinguishment and modification of debt	1,425	—
Amortization of debt discount and deferred financing costs	21,504	11,379
Other non-cash transactions	10,996	8,000
Changes in assets and liabilities:		
Accounts receivable	(54,356)	(3,038)
Inventories	(8,938)	(5,879)
Prepaid expenses and other current assets	(5,268)	(870)
Other long-term assets	(3,583)	(2,267)
Accounts payable	7,371	5,347
Accrued liabilities	60,108	(33,072)
Income taxes payable	(3,285)	2,487
Deferred revenue	(3,749)	25,320
Other non-current liabilities	13,955	15,533
Net cash provided by operating activities	353,983	299,631
Investing activities		
Purchases of property, plant and equipment	(11,281)	(11,725)
Acquired in-process research and development	—	(2,000)
Acquisition of investments	(500,000)	(120,000)
Proceeds from maturity of investments	385,000	100,000
Acquisition of intangible assets	(111,102)	—
Net cash used in investing activities	(237,383)	(33,725)
Financing activities		
Proceeds from employee equity incentive and purchase plans	67,058	19,071
Repayments of long-term debt	(9,023)	(18,047)
Payment of employee withholding taxes related to share-based awards	(16,023)	(16,320)
Share repurchases	(55,561)	(30,859)
Payment of debt modification costs	(6,406)	—
Repayments under revolving credit facility	—	(350,000)
Proceeds from tenant improvement allowance on build-to-suit lease	1,253	—
Net cash used in financing activities	(18,702)	(396,155)
Effect of exchange rates on cash and cash equivalents	1,148	3,499
Net increase (decrease) in cash and cash equivalents	99,046	(126,750)
Cash and cash equivalents, at beginning of period	386,035	365,963
Cash and cash equivalents, at end of period	$ 485,081	$ 239,213

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

JAZZ PHARMACEUTICALS PLC
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

1. The Company and Summary of Significant Accounting Policies

Jazz Pharmaceuticals plc is an international biopharmaceutical company focused on improving patients' lives by identifying, developing and commercializing meaningful products that address unmet medical needs.

We have a diverse portfolio of products and product candidates, with a focus in the areas of sleep and hematology/oncology. Our lead marketed products are:

- **Xyrem® (sodium oxybate) oral solution**, the only product approved by the U.S. Food and Drug Administration, or FDA, and marketed in the U.S. for the treatment of both cataplexy and excessive daytime sleepiness in patients with narcolepsy;
- **Erwinaze® (asparaginase *Erwinia chrysanthemi*)**, a treatment approved in the U.S. and in certain markets in Europe (where it is marketed as Erwinase®) for patients with acute lymphoblastic leukemia who have developed hypersensitivity to *E. coli*-derived asparaginase;
- **Defitelio® (defibrotide sodium)**, a product approved in the U.S. for the treatment of adult and pediatric patients with hepatic veno-occlusive disease, or VOD, also known as sinusoidal obstruction syndrome with renal or pulmonary dysfunction following hematopoietic stem cell transplantation, or HSCT, and in Europe (where it is marketed as Defitelio® (defibrotide)) for the treatment of severe VOD in adults and children undergoing HSCT therapy; and
- **Vyxeos® (daunorubicin and cytarabine) liposome for injection**, a product approved in the U.S. for the treatment of adults with newly-diagnosed therapy-related acute myeloid leukemia or acute myeloid leukemia with myelodysplasia-related changes.

Our strategy is to create shareholder value by:

- Growing sales of the existing products in our portfolio, including by identifying and investing in growth opportunities such as new treatment indications and new geographic markets;
- Acquiring or licensing rights to clinically meaningful and differentiated products on the market or product candidates at various stages of development; and
- Pursuing targeted development of post-discovery differentiated product candidates.

We apply a disciplined approach to allocating our resources between investments in our current commercial and development portfolio and acquisitions or in-licensing of new assets.

Throughout this report, unless otherwise indicated or the context otherwise requires, all references to "Jazz Pharmaceuticals," "the registrant," "we," "us," and "our" refer to Jazz Pharmaceuticals plc and its consolidated subsidiaries. Throughout this report, all references to "ordinary shares" refer to Jazz Pharmaceuticals plc's ordinary shares.

Basis of Presentation

These unaudited condensed consolidated financial statements have been prepared following the requirements of the U.S. Securities and Exchange Commission for interim reporting. As permitted under those rules, certain footnotes and other financial information that are normally required by U.S. generally accepted accounting principles, or U.S. GAAP, can be condensed or omitted. The information included in this Quarterly Report on Form 10-Q should be read in conjunction with our annual consolidated financial statements and accompanying notes included in our Annual Report on Form 10-K for the year ended December 31, 2017.

In the opinion of management, these condensed consolidated financial statements have been prepared on the same basis as the annual consolidated financial statements and include all adjustments, consisting only of normal recurring adjustments, considered necessary for the fair presentation of our financial position and operating results. The results for the three and six months ended June 30, 2018 are not necessarily indicative of the results to be expected for the year ending December 31, 2018, for any other interim period or for any future period.

Except for the revenue recognition accounting policy that was updated as a result of adopting Accounting Standards Update No. 2014-09, "Revenue from Contracts with Customers", or ASU No. 2014-09, our significant accounting policies have not changed substantially from those previously described in our Annual Report on Form 10-K for the year ended December 31, 2017.

These condensed consolidated financial statements include the accounts of Jazz Pharmaceuticals plc and our subsidiaries, and intercompany transactions and balances have been eliminated.

Our operating segment is reported in a manner consistent with the internal reporting provided to the chief operating decision maker, or CODM. Our CODM has been identified as our chief executive officer. We have determined that we operate in one business segment, which is the identification, development and commercialization of meaningful pharmaceutical products that address unmet medical needs.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosures in the condensed consolidated financial statements and accompanying notes. Management bases its estimates on historical experience and on assumptions believed to be reasonable under the circumstances. Actual results could differ materially from those estimates.

Adoption of New Accounting Standards

In May 2014, the Financial Accounting Standards Board, or FASB, issued ASU No. 2014-09. The standard states that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. To achieve this, an entity will need to identify the contract with a customer; identify the separate performance obligations in the contract; determine the transaction price; allocate the transaction price to the separate performance obligations in the contract; and recognize revenue when (or as) the entity satisfies each performance obligation. We adopted ASU No. 2014-09 on January 1, 2018 on a modified retrospective basis. The adoption of ASU No. 2014-09 did not have a material impact on our results of operations and financial position as the timing of revenue recognition for product sales, net, which is our primary revenue stream, did not change. Refer to Note 12, Revenues, for revenue-related disclosures.

In August 2016, the FASB issued ASU No. 2016-15, “Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments”. ASU No. 2016-15 addresses how certain cash receipts and cash payments are presented and classified in the statement of cash flows. We adopted this standard on January 1, 2018 and adoption did not have a material impact on our consolidated financial statements.

In October 2016, the FASB issued ASU No. 2016-16, “Income Taxes (Topic 740): Intra-Entity Transfers of Assets Other Than Inventory” which requires an entity to recognize the income tax consequences of an intra-entity asset transfer, other than an intra-entity asset transfer of inventory, when the transfer occurs. We adopted this standard on January 1, 2018 on a modified retrospective basis and adoption did not have a material impact on our consolidated financial statements.

In January 2017, the FASB issued ASU No. 2017-01, “Business Combinations (Topic 805): Clarifying the Definition of a Business” which provides clarification on the definition of a business and adds guidance to assist entities with evaluating whether transactions should be accounted for as acquisitions (or disposals) of assets or businesses. We adopted this standard on January 1, 2018. In the second quarter of 2018, we entered into an asset purchase agreement, or APA, with TerSera Therapeutics LLC, or TerSera, whereby TerSera will purchase substantially all of our assets related to the manufacture, marketing and sale of Prialt® (ziconotide) intrathecal infusion. We determined that the disposal group did not constitute a business under the new guidance. Refer to Note 15, Assets Held for Sale, for further information on the sale of our rights to Prialt.

In August 2017, the FASB issued ASU No. 2017-12, “Derivatives and Hedging (Topic 815): Targeted Improvements to Accounting for Hedging Activities”. ASU No. 2017-12 amends and simplifies existing guidance in order to allow companies to more accurately present the economic effects of risk management activities in their financial statements. ASU No. 2017-12 is effective for reporting periods beginning after December 15, 2018, with early adoption permitted. We elected to early adopt this standard on January 1, 2018 on a modified retrospective basis. Adoption of this standard did not have a material impact on our consolidated financial statements.

The cumulative effect of the changes made to our consolidated balance sheet as of January 1, 2018 for the adoption of the above accounting standards was as follows (in thousands):

	Balance at December 31, 2017	Transition Adjustments	Balance at January 1, 2018
Assets:			
Deferred tax assets, net	$ 34,559	$ 595	$ 35,154
Liabilities:			
Deferred revenue	8,618	(1,120)	7,498
Deferred revenue, non-current	16,115	(1,120)	14,995
Deferred tax liabilities, net	383,472	3,133	386,605
Shareholders' Equity:			
Accumulated other comprehensive loss	(140,878)	53	(140,825)
Retained earnings	917,956	(351)	917,605

Revenue Recognition

Our revenue comprises product sales, net and royalty and contract revenues. Revenues are recognized when control of the promised goods or services is transferred to our customers, in an amount that reflects the consideration we expect to be entitled to in exchange for those goods or services. Prior to recognizing revenue, we make estimates of the transaction price, including variable consideration that is subject to a constraint. Amounts of variable consideration are included in the transaction price to the extent that it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

Product Sales, Net

Product sales revenue is recognized when control has transferred to the customer, which occurs at a point in time, which is typically on delivery to the customer or, in the case of products that are subject to consignment agreements, when the customer removes product from our consigned inventory location for shipment directly to a patient.

Reserves for Variable Consideration

Revenues from sales of products are recorded at the net sales price, which includes estimates of variable consideration for which reserves are established and which relate to returns, specialty distributor fees, wholesaler fees, prompt payment discounts, government rebates, government chargebacks, coupon programs and rebates under managed care plans. Calculating certain of these reserves involves estimates and judgments and we determine their expected value based on sales or invoice data, contractual terms, historical utilization rates, new information regarding changes in these programs' regulations and guidelines that would impact the amount of the actual rebates, our expectations regarding future utilization rates for these programs and channel inventory data. These reserves reflect our best estimates of the amount of consideration to which we are entitled based on the terms of the contract. The amount of variable consideration that is included in the transaction price may be constrained, and is included in the net sales price only to the extent that it is probable that a significant reversal in the amount of the cumulative revenue recognized will not occur in a future period. We reassess our reserves for variable consideration at each reporting date. Historically, adjustments to estimates for these reserves have not been material.

Reserves for returns, specialty distributor fees, wholesaler fees, government rebates, coupon programs and rebates under managed care plans are included within current liabilities in our condensed consolidated balance sheets. Reserves for government chargebacks and prompt payment discounts are shown as a reduction in accounts receivable.

Royalties and Contract Revenues

We enter into out-licensing agreements under which we license certain rights to our products or product candidates to third parties. If a licensing arrangement includes multiple goods or services, we consider whether the license is distinct. If the license to our intellectual property is determined to be distinct from the other performance obligations identified in the arrangement, we recognize revenue from non-refundable, upfront fees allocated to the license when the license is transferred to the licensee and the licensee is able to use and benefit from the license. If the license to our intellectual property is determined not to be distinct, it is combined with other goods or services into a combined performance obligation. We consider whether the combined performance obligation is satisfied over time or at a point in time and, if over time, the appropriate method of

measuring progress for purposes of recognizing revenue from non-refundable, upfront fees. We evaluate the measure of progress each reporting date and, if necessary, adjust the measure of performance and related revenue recognition.

At the inception of each arrangement that includes development milestone payments, we evaluate whether the milestones are considered probable of being reached and estimate the amount to be included in the transaction price using the most likely amount method. If it is probable that a significant revenue reversal would not occur, the associated milestone value is included in the transaction price. Milestone payments that are not within our control or that of the licensee, such as regulatory approvals, are not considered probable of being achieved until those approvals are received. The transaction price is allocated to each performance obligation on a relative stand-alone selling price basis, for which we recognize revenue as or when the performance obligations under the contract are satisfied. At the end of each subsequent reporting period, we re-evaluate the probability of achievement of such development milestones and any related constraint, and if necessary, adjust our estimate of the overall transaction price.

For arrangements that include sales-based royalties and milestone payments based on the level of sales, and the license is deemed to be the predominant item to which the royalties and sales-based milestones relate, we recognize revenue at the later of (i) when the related sales occur, or (ii) when the performance obligation to which some or all of the royalty or sales-based milestone has been allocated has been satisfied (or partially satisfied).

Significant Risks and Uncertainties

Our financial results are significantly influenced by sales of Xyrem. Our ability to maintain or increase Xyrem product sales is subject to a number of risks and uncertainties, including, without limitation, the potential U.S. introduction of a generic version of Xyrem before the entry dates specified in our settlements with certain abbreviated new drug application, or ANDA, filers or on terms that are different from those contemplated by the settlement agreements; the potential U.S. introduction of new products that compete with, or otherwise disrupt the market for, Xyrem in the treatment of cataplexy and/or excessive daytime sleepiness in narcolepsy; ongoing patent litigation and related proceedings or the possibility of new ANDA filers and challenges; changes to or uncertainties around regulatory restrictions, including, among other things, changes to our Xyrem risk evaluation and mitigation strategy, or REMS; changes in healthcare laws and policy, including changes in requirements for patient assistance programs, rebates, reimbursement and coverage by federal healthcare programs, and changes resulting from increased scrutiny on pharmaceutical pricing and REMS programs by government entities; operational disruptions at the Xyrem central pharmacy or any failure to comply with our REMS obligations to the satisfaction of the FDA; and continued acceptance of Xyrem by physicians and patients.

In addition to risks related specifically to Xyrem, we are subject to other challenges and risks specific to our business and our ability to execute on our strategy, as well as risks and uncertainties common to companies in the pharmaceutical industry with development and commercial operations, including, without limitation, risks and uncertainties associated with: effectively commercializing our other products and product candidates; pharmaceutical product development and the inherent uncertainty of clinical success; the regulatory approval process; the challenges of protecting and enhancing our intellectual property rights; our dependence on sole source suppliers for most of our products, including delays or problems in the supply or manufacture of our products and product candidates; competition; complying with applicable regulatory requirements; changes in healthcare laws and policy and related reforms; government investigations and other actions; obtaining and maintaining appropriate pricing and reimbursement for our products; business combination or product or product candidate acquisition transactions; and possible restrictions on our ability and flexibility to pursue certain future opportunities as a result of our substantial outstanding debt obligations.

Concentrations of Risk

Financial instruments that potentially subject us to concentrations of credit risk consist of cash, cash equivalents, investments and derivative contracts. Our investment policy permits investments in U.S. federal government and federal agency securities, corporate bonds or commercial paper issued by U.S. corporations, money market instruments, certain qualifying money market mutual funds, certain repurchase agreements, and tax-exempt obligations of U.S. states, agencies and municipalities and places restrictions on credit ratings, maturities, and concentration by type and issuer. We are exposed to credit risk in the event of a default by the financial institutions holding our cash, cash equivalents and investments to the extent recorded on the balance sheet.

We manage our foreign currency transaction risk and interest rate risk within specified guidelines through the use of derivatives. All of our derivative instruments are utilized for risk management purposes, and we do not use derivatives for speculative trading purposes. As of June 30, 2018, we had foreign exchange forward contracts with notional amounts totaling $162.5 million. As of June 30, 2018, the net liability fair value of outstanding foreign exchange forward contracts was $5.3 million. As of June 30, 2018, we had interest rate swap contracts with notional amounts totaling $300.0 million. These

outstanding interest rate swap contracts had a fair value of $7.0 million as of June 30, 2018. The counterparties to these contracts are large multinational commercial banks, and we believe the risk of nonperformance is not material.

We are also subject to credit risk from our accounts receivable related to our product sales. We monitor our exposure within accounts receivable and record a reserve against uncollectible accounts receivable as necessary. We extend credit to pharmaceutical wholesale distributors and specialty pharmaceutical distribution companies, primarily in the U.S., and to other international distributors and hospitals. Customer creditworthiness is monitored and collateral is not required. We monitor deteriorating economic conditions in certain European countries which may result in variability of the timing of cash receipts and an increase in the average length of time that it takes to collect accounts receivable outstanding. Historically, we have not experienced significant credit losses on our accounts receivable and as of June 30, 2018 and December 31, 2017, allowances on receivables were not material. As of June 30, 2018, five customers accounted for 93% of gross accounts receivable, including Express Scripts Specialty Distribution Services, Inc. and its affiliates, or Express Scripts, which accounted for 76% of gross accounts receivable, and McKesson Corporation and affiliates, or McKesson, which accounted for 15% of gross accounts receivable.

We depend on single source suppliers for most of our products, product candidates and their active pharmaceutical ingredients, or APIs. With respect to Xyrem, the API is manufactured for us by a single source supplier and the finished product is manufactured both by us in our facility in Athlone, Ireland and by our U.S.-based Xyrem supplier.

Recent Accounting Pronouncements

In January 2017, the FASB issued ASU No. 2017-04, "Intangibles - Goodwill and Other (Topic 350): Simplifying the Test for Goodwill Impairment" which simplifies the accounting for goodwill impairment by eliminating Step 2 of the current goodwill impairment test. Goodwill impairment will now be the amount by which the reporting unit's carrying value exceeds its fair value, limited to the carrying value of the goodwill. The standard is effective for us beginning January 1, 2020. Early adoption is permitted for any impairment tests performed after January 1, 2017. The new guidance is not expected to have a material impact on our results of operations and financial position.

In February 2016, the FASB issued ASU No. 2016-02, "Leases (Topic 842)". Under the new guidance, lessees will be required to recognize a right-of-use asset, which represents the lessee's right to use, or control the use of, a specified asset for the lease term, and a corresponding lease liability, which represents the lessee's obligation to make lease payments under a lease, measured on a discounted basis. ASU No. 2016-02 is effective beginning January 1, 2019 and early adoption is permitted. ASU No. 2016-02 must be adopted on a modified retrospective transition basis at the beginning of the earliest comparative period presented in the consolidated financial statements or at the adoption date. The adoption of ASU No. 2016-02 will result in a significant increase in our consolidated balance sheet for right-of-use assets and lease liabilities. While we are continuing to assess all potential impacts of the standard, we currently believe the most significant impact relates to our accounting for the lease agreements we entered into in January 2015 and September 2017 to lease office space located in Palo Alto, California in buildings constructed or to be constructed by the landlord, which are accounted for as build-to-suit arrangements under existing accounting standards, and the lease agreement we entered into in August 2016 for office space in Dublin, Ireland. The future minimum lease payments under these leases at June 30, 2018 were $210.6 million. Based on our initial evaluation of the impact of ASU No. 2016-02 on our build-to-suit facility leases, we expect to de-recognize existing build-to-suit assets and liabilities upon the adoption of ASU No. 2016-02.

2. Cash and Available-for-Sale Securities

Cash, cash equivalents and investments consisted of the following (in thousands):

	June 30, 2018					
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value	Cash and Cash Equivalents	Investments
Cash	$ 228,018	$ —	$ —	$ 228,018	$ 228,018	$ —
Time deposits	405,000	—	—	405,000	75,000	330,000
Money market funds	182,063	—	—	182,063	182,063	—
Totals	$ 815,081	$ —	$ —	$ 815,081	$ 485,081	$ 330,000

	December 31, 2017					
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value	Cash and Cash Equivalents	Investments
Cash	$ 225,235	$ —	$ —	$ 225,235	$ 225,235	$ —
Time deposits	235,000	—	—	235,000	20,000	215,000
Money market funds	140,800	—	—	140,800	140,800	—
Totals	$ 601,035	$ —	$ —	$ 601,035	$ 386,035	$ 215,000

Cash equivalents and investments are considered available-for-sale securities. We use the specific-identification method for calculating realized gains and losses on securities sold and include them in interest expense, net in the condensed consolidated statements of income. Our investment balances represent time deposits with original maturities of greater than three months and less than one year.

3. Fair Value Measurement

The following table summarizes, by major security type, our available-for-sale securities and derivative contracts as of June 30, 2018 and December 31, 2017 that were measured at fair value on a recurring basis and were categorized using the fair value hierarchy (in thousands):

	June 30, 2018			December 31, 2017		
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Total Estimated Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Total Estimated Fair Value
Assets:						
Available-for-sale securities:						
Time deposits	$ —	$ 405,000	$ 405,000	$ —	$ 235,000	$ 235,000
Money market funds	182,063	—	182,063	140,800	—	140,800
Interest rate contracts	—	6,966	6,966	—	2,138	2,138
Foreign exchange forward contracts	—	109	109	—	15,495	15,495
Totals	$ 182,063	$ 412,075	$ 594,138	$ 140,800	$ 252,633	$ 393,433
Liabilities:						
Interest rate contracts	$ —	$ —	$ —	$ —	$ 392	$ 392
Foreign exchange forward contracts	—	5,400	5,400	—	5,017	5,017
Totals	$ —	$ 5,400	$ 5,400	$ —	$ 5,409	$ 5,409

As of June 30, 2018, our available-for-sale securities included time deposits and money market funds, and their carrying values were approximately equal to their fair values. Time deposits were measured at fair value using Level 2 inputs and money market funds were measured using quoted prices in active markets, which represent Level 1 inputs. Level 2 inputs, obtained from various third party data providers, represent quoted prices for similar assets in active markets, or these inputs were derived from observable market data, or if not directly observable, were derived from or corroborated by other observable market data.

Our derivative assets and liabilities include interest rate and foreign exchange derivatives that are measured at fair value using observable market inputs such as forward rates, interest rates, our own credit risk as well as an evaluation of our counterparties' credit risks. Based on these inputs, the derivative assets and liabilities are classified within Level 2 of the fair value hierarchy.

There were no transfers between the different levels of the fair value hierarchy in 2018 or in 2017.

As of June 30, 2018, the estimated fair values of our 1.875% exchangeable senior notes due 2021, or the 2021 Notes, and our 1.50% exchangeable senior notes due 2024, or the 2024 Notes, were approximately $626 million and $599 million, respectively. The fair values of the 2021 Notes and the 2024 Notes, which we refer to together as the Exchangeable Senior Notes, were estimated using quoted market prices obtained from brokers (Level 2). The estimated fair value of our borrowing

under our term loan was approximately equal to its book value based on the borrowing rates currently available for variable rate loans (Level 2).

As of June 30, 2018, assets measured at fair value on a non-recurring basis subsequent to initial recognition included assets classified as held for sale on the condensed consolidated balance sheet. These assets related to an APA with TerSera, pursuant to which TerSera will purchase substantially all of our assets related to the manufacture, marketing and sale of Prialt. Refer to Note 15, Assets Held for Sale, for additional information. The carrying amount of $78.0 million for assets held for sale is equal to estimated fair value, which is based on the sales price agreed less costs to sell, and represents a Level 3 input.

4. Derivative Instruments and Hedging Activities

We are exposed to certain risks arising from operating internationally, including fluctuations in interest rates on our outstanding term loan borrowings and fluctuations in foreign exchange rates primarily related to the translation of euro-denominated net monetary liabilities, including intercompany balances, held by subsidiaries with a U.S. dollar functional currency. We manage these exposures within specified guidelines through the use of derivatives. All of our derivative instruments are utilized for risk management purposes, and we do not use derivatives for speculative trading purposes.

To achieve a desired mix of floating and fixed interest rates on our variable rate debt, we entered into interest rate swap agreements in March 2017 which are effective from March 3, 2017 until July 12, 2021. These agreements hedge contractual term loan interest rates. As of June 30, 2018 and December 31, 2017, the interest rate swap agreements had a notional amount of $300.0 million. As a result of these agreements, the interest rate on a portion of our term loan borrowings was fixed at 1.895%, plus the borrowing spread, until July 12, 2021.

The effective portion of changes in the fair value of derivatives designated as and that qualify as cash flow hedges is recorded in accumulated other comprehensive loss and is subsequently reclassified into earnings in the period that the hedged forecasted transaction affects earnings. The impact on accumulated other comprehensive loss and earnings from derivative instruments that qualified as cash flow hedges for the three and six months ended June 30, 2018 and 2017 was as follows (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
Interest Rate Contracts:	**2018**	**2017**	**2018**	**2017**
Gain (loss) recognized in accumulated other comprehensive loss, net of tax	$ 1,372	$ (1,320)	$ 4,409	$ (2,175)
Loss (gain) reclassified from accumulated other comprehensive loss to interest expense, net of tax	(18)	594	149	827

Assuming no change in LIBOR-based interest rates from market rates as of June 30, 2018, $1.3 million of gains recognized in accumulated other comprehensive loss will be reclassified to earnings over the next 12 months.

We enter into foreign exchange forward contracts, with durations of up to 12 months, designed to limit the exposure to fluctuations in foreign exchange rates related to the translation of certain non-U.S. dollar denominated liabilities, including intercompany balances. Hedge accounting is not applied to these derivative instruments as gains and losses on these hedge transactions are designed to offset gains and losses on underlying balance sheet exposures. As of June 30, 2018 and December 31, 2017, the notional amount of foreign exchange contracts where hedge accounting is not applied was $162.5 million and $98.7 million, respectively. The foreign exchange loss in our condensed consolidated statements of income included losses of $12.2 million and $8.5 million for the three and six months ended June 30, 2018, respectively, and a gain of $11.6 million for the three and six months ended June 30, 2017 associated with foreign exchange contracts not designated as hedging instruments.

The cash flow effects of our derivative contracts for the six months ended June 30, 2018 and 2017 are included within net cash provided by operating activities in the condensed consolidated statements of cash flows.

The following tables summarize the fair value of outstanding derivatives (in thousands):

	June 30, 2018			
	Asset Derivatives		Liability Derivatives	
	Balance Sheet Location	Fair Value	Balance Sheet Location	Fair Value
Derivatives designated as hedging instruments:				
Interest rate contracts	Other current assets	$ 1,469	Accrued liabilities	$ —
	Other non-current assets	5,497		
Derivatives not designated as hedging instruments:				
Foreign exchange forward contracts	Other current assets	109	Accrued liabilities	5,400
Total fair value of derivative instruments		$ 7,075		$ 5,400

	December 31, 2017			
	Asset Derivatives		Liability Derivatives	
	Balance Sheet Location	Fair Value	Balance Sheet Location	Fair Value
Derivatives designated as hedging instruments:				
Interest rate contracts	Other non-current assets	$ 2,138	Accrued liabilities	$ 392
Derivatives not designated as hedging instruments:				
Foreign exchange forward contracts	Other current assets	15,495	Accrued liabilities	5,017
Total fair value of derivative instruments		$ 17,633		$ 5,409

Although we do not offset derivative assets and liabilities within our condensed consolidated balance sheets, our International Swap and Derivatives Association agreements provide for net settlement of transactions that are due to or from the same counterparty upon early termination of the agreement due to an event of default or other termination event. The following tables summarize the potential effect on our condensed consolidated balance sheets of offsetting our interest rate contracts and foreign exchange forward contracts subject to such provisions (in thousands):

	June 30, 2018					
				Gross Amounts Not Offset in the Consolidated Balance Sheet		
Description	Gross Amounts of Recognized Assets/ Liabilities	Gross Amounts Offset in the Consolidated Balance Sheet	Net Amounts of Assets/ Liabilities Presented in the Consolidated Balance Sheet	Derivative Financial Instruments	Cash Collateral Received (Pledged)	Net Amount
Derivative assets	$ 3,486	$ —	$ 3,486	$ (1,305)	$ —	$ 2,181
Derivative liabilities	(1,305)	—	(1,305)	1,305	—	—

	December 31, 2017					
				Gross Amounts Not Offset in the Consolidated Balance Sheet		
Description	Gross Amounts of Recognized Assets/ Liabilities	Gross Amounts Offset in the Consolidated Balance Sheet	Net Amounts of Assets/ Liabilities Presented in the Consolidated Balance Sheet	Derivative Financial Instruments	Cash Collateral Received (Pledged)	Net Amount
Derivative assets	$ 1,639	$ —	$ 1,639	$ (875)	$ —	$ 764
Derivative liabilities	(875)	—	(875)	875	—	—

5. Inventories

Inventories consisted of the following (in thousands):

	June 30, 2018	December 31, 2017
Raw materials	$ 4,244	$ 3,542
Work in process	23,967	15,692
Finished goods	17,945	24,011
Total inventories	$ 46,156	$ 43,245

6. Goodwill and Intangible Assets

The gross carrying amount of goodwill was as follows (in thousands):

Balance at December 31, 2017	$ 947,537
Foreign exchange	(11,044)
Balance at June 30, 2018	$ 936,493

The gross carrying amounts and net book values of our intangible assets were as follows (in thousands):

	June 30, 2018				December 31, 2017		
	Remaining Weighted-Average Useful Life (In years)	Gross Carrying Amount	Accumulated Amortization	Net Book Value	Gross Carrying Amount	Accumulated Amortization	Net Book Value
Acquired developed technologies	14.8	$ 3,133,242	$ (546,974)	$ 2,586,268	$ 3,392,832	$ (562,473)	$ 2,830,359
Priority review voucher		111,102	—	111,102	—	—	—
Manufacturing contracts	—	12,507	(12,507)	—	12,824	(12,634)	190
Trademarks	—	2,902	(2,902)	—	2,910	(2,910)	—
Total finite-lived intangible assets		3,259,753	(562,383)	2,697,370	3,408,566	(578,017)	2,830,549
Acquired IPR&D assets		144,907	—	144,907	148,578	—	148,578
Total intangible assets		$ 3,404,660	$ (562,383)	$ 2,842,277	$ 3,557,144	$ (578,017)	$ 2,979,127

The decrease in the gross carrying amount of intangible assets as of June 30, 2018 compared to December 31, 2017 reflects the reclassification of the Prialt acquired developed technology asset to assets held for sale following our entry into an APA with TerSera pursuant to which TerSera will purchase substantially all of the assets held by us related to Prialt and the negative impact of foreign currency translation adjustments, which was due to the weakening of the euro against the U.S. dollar, partially offset by our purchase of a rare pediatric disease priority review voucher, or PRV, from Spark Therapeutics, Inc. As we may use the PRV to obtain priority review by the FDA for one of our future regulatory submissions or may sell or transfer the PRV to a third party, we capitalized the acquisition cost, including direct transaction costs, as a finite-lived intangible asset upon closing of the transaction in May 2018.

The assumptions and estimates used to determine future cash flows and remaining useful lives of our intangible and other long-lived assets are complex and subjective. They can be affected by various factors, including external factors, such as industry and economic trends, and internal factors such as changes in our business strategy and our forecasts for specific product lines.

Based on acquired developed technology intangible assets recorded as of June 30, 2018, and assuming the underlying assets will not be impaired and that we will not change the expected lives of the assets, future amortization expenses were estimated as follows (in thousands):

Year Ending December 31,	Estimated Amortization Expense
2018 (remainder)	$ 93,957
2019	187,915
2020	186,664
2021	185,640
2022	184,925
Thereafter	1,747,167
Total	$ 2,586,268

7. Certain Balance Sheet Items

Property, plant and equipment consisted of the following (in thousands):

	June 30, 2018	December 31, 2017
Build-to-suit facility	$ 52,222	$ 51,721
Land and buildings	46,744	46,729
Construction-in-progress	37,352	21,738
Leasehold improvements	30,417	28,779
Manufacturing equipment and machinery	24,558	23,586
Computer software	19,498	19,969
Computer equipment	13,764	12,814
Furniture and fixtures	7,083	5,947
Subtotal	231,638	211,283
Less accumulated depreciation and amortization	(43,552)	(41,203)
Property, plant and equipment, net	$ 188,086	$ 170,080

Accrued liabilities consisted of the following (in thousands):

	June 30, 2018	December 31, 2017
Rebates and other sales deductions	$ 86,921	$ 81,368
Estimated loss contingency	57,353	—
Employee compensation and benefits	43,824	54,930
Royalties	7,614	8,058
Accrued interest	7,430	7,297
Inventory-related accruals	6,068	3,002
Clinical trial accruals	5,606	2,181
Derivative instrument liabilities	5,400	5,409
Selling and marketing accruals	4,221	3,189
Professional fees	3,596	3,213
Sales returns reserve	2,696	3,651
Accrued construction-in-progress	1,767	2,827
Other	26,298	23,654
Total accrued liabilities	$ 258,794	$ 198,779

8. Debt

The following table summarizes the carrying amount of our indebtedness (in thousands):

	June 30, 2018	December 31, 2017
2021 Notes	$ 575,000	$ 575,000
Unamortized discount and debt issuance costs on 2021 Notes	(71,559)	(81,627)
2021 Notes, net	503,441	493,373
2024 Notes	575,000	575,000
Unamortized discount and debt issuance costs on 2024 Notes	(149,050)	(158,680)
2024 Notes, net	425,950	416,320
Term loan	662,310	671,345
Total debt	1,591,701	1,581,038
Less current portion	33,387	40,605
Total long-term debt	$ 1,558,314	$ 1,540,433

Amendment of Credit Facility

On June 18, 2015, Jazz Pharmaceuticals plc, as guarantor, and certain of our wholly owned subsidiaries, as borrowers, entered into a credit agreement, or the 2015 credit agreement, that provided for a $750.0 million principal amount term loan, which was drawn in full at closing, and a $750.0 million revolving credit facility, of which $160.0 million was drawn at closing and subsequently repaid. We used the proceeds from initial borrowings under the 2015 credit agreement to repay in full the $893.1 million principal amount of term loans outstanding under the credit agreement that we entered into in June 2012, as subsequently amended, which we refer to as the previous credit agreement, and to pay related fees and expenses. The previous credit agreement was terminated upon repayment of the term loans outstanding thereunder.

On July 12, 2016, we amended the 2015 credit agreement to provide for a revolving credit facility of $1.25 billion and a $750.0 million term loan facility. We used the proceeds of $1.0 billion of loans under the revolving credit facility, together with cash on hand, to fund the acquisition of Celator Pharmaceuticals, Inc., or Celator.

On June 7, 2018, we entered into a second amendment to the 2015 credit agreement to provide for a revolving credit facility of $1.6 billion, which replaced the existing revolving credit facility of $1.25 billion, and a new $667.7 million term loan facility, which replaced the $750.0 million term loan facility, of which $667.7 million principal amount was outstanding as of June 7, 2018. We refer to the 2015 credit agreement as amended by the first and second amendments as the amended credit agreement. We expect to use the proceeds from future loans under the revolving credit facility, if any, for permitted capital expenditures, permitted acquisitions, to provide for ongoing working capital requirements and for other general corporate purposes.

Under the amended credit agreement, the term loan matures on June 7, 2023 and the revolving credit facility terminates, and any loans outstanding thereunder become due and payable, on June 7, 2023.

Borrowings under the amended credit agreement bear interest, at our option, at a rate equal to either (a) the LIBOR rate, plus an applicable margin ranging from 1.375% to 1.750% per annum, based upon our secured leverage ratio, or (b) the prime lending rate, plus an applicable margin ranging from 0.375% to 0.750% per annum, based upon our secured leverage ratio. The revolving credit facility has a commitment fee payable on the undrawn amount ranging from 0.25% to 0.35% per annum based upon our secured leverage ratio.

Jazz Pharmaceuticals plc and certain of our wholly owned subsidiaries are borrowers under the amended credit agreement. The borrowers' obligations under the amended credit agreement and any hedging or cash management obligations entered into with a lender are guaranteed on a senior secured basis by Jazz Pharmaceuticals plc and certain of our subsidiaries (including the issuer of the Exchangeable Senior Notes as described below) and are secured by substantially all of Jazz Pharmaceuticals plc's, the borrowers' and the guarantor subsidiaries' assets.

We may make voluntary prepayments of principal at any time without payment of a premium. We are required to make mandatory prepayments of the term loan (without payment of a premium) with (1) net cash proceeds from certain non-ordinary

course asset sales (subject to other exceptions), (2) net cash proceeds from issuances of debt (other than certain permitted debt), and (3) casualty proceeds and condemnation awards (subject to other exceptions).

Principal repayments of the term loan, which are due quarterly, are equal to 5.0% per annum of the principal amount outstanding on June 7, 2018 of $667.7 million, with any remaining balance payable on the maturity date.

The amended credit agreement contains financial covenants that require Jazz Pharmaceuticals plc and our restricted subsidiaries to not (a) exceed a maximum secured net leverage ratio or (b) fall below a cash interest coverage ratio. As of June 30, 2018, we were in compliance with these financial covenants.

Exchangeable Senior Notes

The Exchangeable Senior Notes were issued by Jazz Investments I Limited, or the Issuer, a 100%-owned finance subsidiary of Jazz Pharmaceuticals plc. The Exchangeable Senior Notes are senior unsecured obligations of the Issuer and are fully and unconditionally guaranteed on a senior unsecured basis by Jazz Pharmaceuticals plc. No subsidiary of Jazz Pharmaceuticals plc guaranteed the Exchangeable Senior Notes. Subject to certain local law restrictions on payment of dividends, among other things, and potential negative tax consequences, we are not aware of any significant restrictions on the ability of Jazz Pharmaceuticals plc to obtain funds from the Issuer or Jazz Pharmaceuticals plc's other subsidiaries by dividend or loan, or any legal or economic restrictions on the ability of the Issuer or Jazz Pharmaceuticals plc's other subsidiaries to transfer funds to Jazz Pharmaceuticals plc in the form of cash dividends, loans or advances. There is no assurance that in the future such restrictions will not be adopted.

As of June 30, 2018, the carrying values of the equity component of the 2021 Notes and the 2024 Notes, net of equity issuance costs, were $126.9 million and $149.8 million, respectively.

Maturities

Scheduled maturities with respect to our long-term debt principal balances outstanding as of June 30, 2018 were as follows (in thousands):

Year Ending December 31,	Scheduled Long-Term Debt Maturities
2018 (remainder)	$ 16,693
2019	33,387
2020	33,387
2021	608,387
2022	33,387
Thereafter	1,092,493
Total	$ 1,817,734

9. Commitments and Contingencies

Indemnification

In the normal course of business, we enter into agreements that contain a variety of representations and warranties and provide for general indemnification, including indemnification associated with product liability or infringement of intellectual property rights. Our exposure under these agreements is unknown because it involves future claims that may be made but have not yet been made against us. To date, we have not paid any claims or been required to defend any action related to these indemnification obligations.

We have agreed to indemnify our executive officers, directors and certain other employees for losses and costs incurred in connection with certain events or occurrences, including advancing money to cover certain costs, subject to certain limitations. The maximum potential amount of future payments we could be required to make under the indemnification obligations is unlimited; however, we maintain insurance policies that may limit our exposure and may enable us to recover a portion of any future amounts paid. Assuming the applicability of coverage, the willingness of the insurer to assume coverage, and subject to certain retention, loss limits and other policy provisions, we believe the fair value of these indemnification obligations is not significant. Accordingly, we did not recognize any liabilities relating to these obligations as of June 30, 2018 and December 31, 2017. No assurances can be given that the covering insurers will not attempt to dispute the validity, applicability,

or amount of coverage without expensive litigation against these insurers, in which case we may incur substantial liabilities as a result of these indemnification obligations.

Lease and Other Commitments

Facility Leases. In January 2015, we entered into an agreement to lease office space located in Palo Alto, California in a building subsequently constructed by the landlord. The term of this lease is 12 years from the commencement date as defined in the lease agreement and we have an option to extend the term twice for a period of five years each. We are the deemed owner of the building based on applicable accounting guidance for build-to-suit leases. Accordingly, the landlord's costs of constructing the building were capitalized on our condensed consolidated balance sheets offset by a corresponding financing obligation. We began to occupy this office space in October 2017. As of June 30, 2018, the total amount of the related financing obligation was $63.2 million, which is classified within current liabilities and non-current liabilities on our condensed consolidated balance sheets.

In September 2017, we entered into an agreement to lease office space located in Palo Alto, California in a second building to be constructed by the same landlord. We expect to occupy this office space by the end of 2019. This lease has a term of 12 years from the commencement date as defined in the lease agreement and we have an option to extend the term of the lease twice for a period of 5 years each. We are the deemed owner of the building during the construction period based on applicable accounting guidance for build-to-suit leases. As of June 30, 2018, we recorded project construction costs of $33.6 million incurred by the landlord as construction-in-progress in property, plant and equipment, net and a corresponding financing obligation in other non-current liabilities on our condensed consolidated balance sheets. We will increase the asset and financing obligation as additional building costs are incurred by the landlord during the construction period.

Operating Leases. We have noncancelable operating leases for our office buildings and we are obligated to make payments under noncancelable operating leases for automobiles used by our sales force.

Other Commitments. As of June 30, 2018, we had $62.6 million of noncancelable purchase commitments due within one year, primarily related to agreements with third party manufacturers.

Legal Proceedings

We are involved in legal proceedings, including the following matters:

Xyrem ANDA Litigation. On December 10, 2012, we received a notice of Paragraph IV Patent Certification, or Paragraph IV Certification, from Amneal Pharmaceuticals, Inc., formerly known as Amneal Pharmaceuticals, LLC, or Amneal, that it had submitted an ANDA to the FDA requesting approval to market a generic version of Xyrem. On January 18, 2013, we filed a lawsuit against Amneal in the federal district court of New Jersey, or District Court, alleging that our patents covering Xyrem are infringed or will be infringed by Amneal's ANDA and seeking a permanent injunction to prevent Amneal from introducing a generic version of Xyrem that would infringe these patents. On November 21, 2013, we received a notice of Paragraph IV Certification from Par Pharmaceutical, Inc., or Par, that it had submitted an ANDA to the FDA requesting approval to market a generic version of Xyrem. On December 27, 2013, we filed a lawsuit against Par in the District Court alleging that our patents covering Xyrem are infringed or will be infringed by Par's ANDA and seeking a permanent injunction to prevent Par from introducing a generic version of Xyrem that would infringe these patents.

In May 2014, the District Court granted a request by Amneal to consolidate its case with the Par case. Additional patents covering Xyrem have been issued since May 2014 and have been listed in the FDA's publication "Approved Drug Products with Therapeutic Equivalence Evaluations," or the Orange Book, for Xyrem. Amneal and Par gave us additional notices of Paragraph IV Certifications regarding such patents, and we filed additional lawsuits against Amneal and Par in the District Court alleging that our patents covering Xyrem are infringed or will be infringed by Amneal's and Par's ANDAs and seeking a permanent injunction to prevent Amneal and Par from introducing a generic version of Xyrem that would infringe our patents. In August 2016, we and Par stipulated to dismiss claims relating to our patents covering the formulation of Xyrem on the grounds that Par had notified the FDA that it had converted its Paragraph IV Certifications to Paragraph III Patent Certifications, or Paragraph III Certifications. In September 2017, we and Amneal stipulated to dismiss claims relating to certain of our patents covering the formulation of Xyrem on the grounds that Amneal had notified the FDA that it had converted its Paragraph IV Certifications as to these patents to Paragraph III Certifications.

On October 30, 2014, we received a notice of Paragraph IV Certification from Teva Pharmaceutical Industries Ltd., formerly known as Watson Laboratories, Inc., or Teva, that it had submitted an ANDA to the FDA requesting approval to market a generic version of Xyrem. On December 11, 2014, we filed a lawsuit against Teva in the District Court alleging that our patents covering Xyrem are or will be infringed by Teva's ANDA and seeking a permanent injunction to prevent Teva from introducing a generic version of Xyrem that would infringe these patents. In March 2015, Teva moved to dismiss the portion of the case based on our Orange Book-listed REMS patents on the grounds that these patents do not cover patentable subject

matter. In November 2015, the District Court administratively terminated this motion to dismiss (without prejudice) pending the outcome of inter partes review, or IPR, proceedings before the Patent Trial and Appeal Board, or PTAB, of the U.S. Patent and Trademark Office relating to the patents that were the subject of Teva's motion. Since March 2015, we received an additional notice of Paragraph IV Certification from Teva regarding newly issued patents for Xyrem listed in the Orange Book, and we filed an additional lawsuit against Teva in the District Court alleging that our patents covering Xyrem are or will be infringed by Teva's ANDA and seeking a permanent injunction to prevent Teva from introducing a generic version of Xyrem that would infringe these patents.

In April 2015, the District Court issued an order consolidating all then-pending lawsuits against Amneal, Par and Teva into one case.

On July 23, 2015, we received a notice of Paragraph IV Certification from Lupin Inc., or Lupin, that it had submitted an ANDA to the FDA requesting approval to market a generic version of Xyrem. On September 2, 2015, we filed a lawsuit in the District Court alleging that our patents covering Xyrem are or will be infringed by Lupin's ANDA and seeking a permanent injunction to prevent Lupin from introducing a generic version of Xyrem that would infringe our patents.

In January, April and June 2016, the District Court issued orders consolidating all of the cases then pending against Amneal, Par, Teva and Lupin into a single case for all purposes. As discussed in more detail below, we entered into settlement agreements and related agreements in January 2018, March 2018 and June 2018 with Par, Teva and Lupin, respectively; as a result, the sole remaining party in the case is Amneal. Although no trial date has been set for the case against Amneal, discovery is scheduled to conclude in the fourth quarter of 2018, and the trial in this case could occur as early as the first quarter of 2019.

On November 21, 2017, we received a notice of Paragraph IV Certification from Mallinckrodt Inc., or Mallinckrodt, that it had submitted an ANDA to the FDA requesting approval to market a generic version of Xyrem. On January 2, 2018, we filed a lawsuit in the District Court alleging that our patents covering Xyrem are or will be infringed by Mallinckrodt's ANDA and seeking a permanent injunction to prevent Mallinckrodt from introducing a generic version of Xyrem that would infringe our patents. As discussed in more detail below, we entered into a settlement agreement in June 2018 with Mallinckrodt.

Xyrem ANDA Litigation Settlements. On January 9, 2018, we entered into a settlement agreement and related agreements resolving our patent infringement litigation against Par in the District Court, as well as related discovery proceedings and certain IPR proceedings. On January 19, 2018, the District Court approved an order dismissing the litigation.

On June 12, 2018, we entered into a settlement agreement and related agreements resolving our patent infringement litigation against Lupin in the District Court. On June 19, 2018, the District Court approved an order dismissing the litigation.

In connection with the settlements with Par and Lupin, we granted each of Par and Lupin the right to sell a limited volume of an authorized generic version of Xyrem, or an AG Product, in the U.S. for a term beginning on July 1, 2023, or earlier under certain circumstances, and ending on December 31, 2025, or the AG Sales Period. Such circumstances include events related to acceleration of the launch date of the authorized generic version of Xyrem by the first ANDA filer, West-Ward Pharmaceuticals Corp. (a wholly owned subsidiary of Hikma Pharmaceuticals PLC), or West-Ward, under the terms of our settlement with West-Ward, the earlier launch of another party's authorized generic or generic sodium oxybate product, or a final decision that all unexpired claims of the Xyrem patents are not infringed, invalid and/or unenforceable. The volume of each of Par's AG Product and Lupin's AG Product is limited to an annual amount equal to a low single-digit percentage of Xyrem sales volume during the calendar year preceding the entry date of such party's AG Product. We also granted each of Par and Lupin a non-exclusive license under the Xyrem patents to make, have made and market its own generic sodium oxybate product under its ANDA (assuming FDA approval is obtained) effective December 31, 2025, or earlier under certain circumstances. Such circumstances include events related to launch of a generic sodium oxybate product by West-Ward or another party under its ANDA, or a final decision that all unexpired claims of the Xyrem patents are not infringed, invalid and/or unenforceable. If Par's or Lupin's license to market its own generic sodium oxybate product accelerates, then such party will have the option to elect to market its AG Product until December 31, 2025, but such party will not be entitled to market its AG Product and its own generic sodium oxybate product simultaneously. We are entitled to receive a meaningful royalty on net sales of each of Par's AG Product and Lupin's AG Product over the AG Sales Period, as well as payment for the supply of each party's AG Product and reimbursement for a portion of the services costs associated with the operation of the Xyrem REMS and distribution of each party's AG Product.

On March 30, 2018, we entered into a settlement agreement resolving our patent infringement litigation against Teva in the District Court. On April 5, 2018, the District Court approved an order dismissing the litigation. In connection with the settlement, we granted Teva a license to manufacture, market and sell its own generic sodium oxybate product on or after December 31, 2025, or earlier under certain circumstances.

On June 4, 2018, we entered into a settlement agreement resolving our patent infringement litigation against Mallinckrodt in the District Court. On June 14, 2018, the District Court approved an order dismissing the litigation. In connection with the

settlement, we granted Mallinckrodt a license to manufacture, market and sell its own generic sodium oxybate product on or after December 31, 2025, or earlier under certain circumstances.

We had previously entered into settlement agreements with four other ANDA filers, including the first filer, West-Ward. The specific terms of all of the settlement agreements are confidential. The settlements do not resolve the case against Amneal, which remains pending. We cannot predict whether additional generic manufacturers will file ANDAs and require new patent litigation or the specific timing or outcome of events with respect to the remaining case against Amneal.

Xyrem Post-Grant Patent Review Matters. In January 2015, certain of the ANDA filers filed petitions for IPR with respect to the validity of six of our seven patents associated with the Xyrem REMS, or REMS patents. The PTAB instituted IPR trials with respect to certain of these petitions. In July 2016, the PTAB issued final decisions that the claims of the six REMS patents are unpatentable. In March 2016, the PTAB partially instituted an IPR on three claims of a seventh REMS patent, declining to review 25 of 28 claims, and in March 2017, the PTAB issued a final decision that the three claims they reviewed are unpatentable. On July 13, 2018, the United States Court of Appeals for the Federal Circuit upheld the July 2016 and March 2017 PTAB decisions on appeal, and as a result, we will not be able to enforce claims the PTAB found unpatentable. We cannot predict whether additional post-grant patent review challenges will be filed by any of the ANDA filers or any other entity, the outcome of any future IPR or other proceeding or the impact any IPR or other proceeding might have on ongoing ANDA litigation proceedings or other aspects of our Xyrem business.

From time to time we are involved in legal proceedings arising in the ordinary course of business. We believe there is no other litigation pending that could have, individually or in the aggregate, a material adverse effect on our results of operations or financial condition.

Other Contingencies

In May and October 2016 and in February 2017, we received subpoenas from the U.S. Attorney's Office for the District of Massachusetts requesting documents related to our support of 501(c)(3) organizations that provide financial assistance to Medicare patients, and, for Xyrem, documents concerning the provision of financial assistance to Medicare patients. Other companies have disclosed similar subpoenas and continuing inquiries. We have a comprehensive program intended to ensure our compliance with applicable legal and regulatory requirements for pharmaceutical companies, including guidelines established by the Office of Inspector General of the U.S. Department of Health and Human Services regarding patient assistance programs, and we have been cooperating with the government's investigation. We have engaged in discussions with the U.S. Department of Justice, or DOJ, about a possible resolution, and in April 2018, we reached an agreement in principle with the DOJ on a proposal for a civil settlement of potential claims by the DOJ in the amount of $57.0 million, subject to accrual of interest on the settlement amount from the date of the agreement in principle, negotiation of a definitive settlement agreement and other contingencies. During the six months ended June 30, 2018 we recorded $57.4 million related to this matter, including related interest, within accrued liabilities on our condensed consolidated balance sheet with the related expense included in selling, general and administrative expenses on our condensed consolidated statement of income. Material issues remain subject to further negotiation and approval by us and the DOJ before the proposed settlement can be finalized. We cannot provide assurances that our efforts to reach a final settlement with the DOJ will be successful or, if they are, the timing or final terms of any such settlement. Any such settlement is also likely to involve entry into a corporate integrity agreement, which would impose costs and burdens on the operation of our business. If we do not reach a final settlement, the outcome of this investigation could include an enforcement action against us. If the federal government were to file an enforcement action against us as a result of the investigation and could establish the elements of a violation of relevant laws, we could be subject to damages, fines and penalties, which could be substantial, along with other criminal, civil or administrative sanctions, and we would expect to incur significant costs in connection with such enforcement action, regardless of the outcome.

10. Shareholders' Equity

The following tables present a reconciliation of our beginning and ending balances in shareholders' equity for the six months ended June 30, 2018 and 2017 (in thousands):

	Total Shareholders' Equity
Shareholders' equity at January 1, 2018	$ 2,713,097
Effect of adoption of new accounting standards	(298)
Issuance of ordinary shares in conjunction with employee equity incentive and purchase plans	67,058
Employee withholding taxes related to share-based awards	(16,023)
Share-based compensation	50,570
Shares repurchased	(55,561)
Other comprehensive loss	(27,403)
Net income	138,312
Shareholders' equity at June 30, 2018	$ 2,869,752

	Total Shareholders' Equity
Shareholders' equity at January 1, 2017	$ 1,877,339
Issuance of ordinary shares in conjunction with employee equity incentive and purchase plans	19,071
Employee withholding taxes related to share-based awards	(16,320)
Share-based compensation	52,602
Shares repurchased	(30,859)
Other comprehensive income	107,084
Net income	192,115
Shareholders' equity at June 30, 2017	$ 2,201,032

Share Repurchase Program

In November 2016, our board of directors authorized a share repurchase program pursuant to which we are authorized to repurchase a number of ordinary shares having an aggregate purchase price of up to $300.0 million, exclusive of any brokerage commissions. In the six months ended June 30, 2018, we spent a total of $55.6 million to purchase 0.4 million of our ordinary shares under the share repurchase program at an average total purchase price, including commissions, of $149.16 per share. As of June 30, 2018, the remaining amount authorized under the share repurchase program was $127.2 million.

Accumulated Other Comprehensive Loss

The components of accumulated other comprehensive loss as of June 30, 2018 and December 31, 2017 were as follows (in thousands):

	Net Unrealized Gain From Hedging Activities	Foreign Currency Translation Adjustments	Total Accumulated Other Comprehensive Loss
Balance at December 31, 2017	$ 1,482	$ (142,360)	$ (140,878)
Effect of adoption of ASU No. 2017-12	53	—	53
Balance at January 1, 2018	1,535	(142,360)	(140,825)
Other comprehensive income (loss) before reclassifications	4,409	(31,961)	(27,552)
Amounts reclassified from accumulated other comprehensive loss	149	—	149
Other comprehensive income (loss), net	4,558	(31,961)	(27,403)
Balance at June 30, 2018	$ 6,093	$ (174,321)	$ (168,228)

During the six months ended June 30, 2018, other comprehensive loss reflects foreign currency translation adjustments, primarily due to the weakening of the euro against the U.S. dollar, and the net unrealized gain on derivatives that qualify as cash flow hedges.

11. Net Income per Ordinary Share

Basic net income per ordinary share is based on the weighted-average number of ordinary shares outstanding. Diluted net income per ordinary share is based on the weighted-average number of ordinary shares outstanding and potentially dilutive ordinary shares outstanding.

Basic and diluted net income per ordinary share were computed as follows (in thousands, except per share amounts):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2018	2017	2018	2017
Numerator:				
Net income	$ 92,321	$ 105,604	$ 138,312	$ 192,115
Denominator:				
Weighted-average ordinary shares used in per share calculations - basic	60,177	60,100	60,053	59,991
Dilutive effect of employee equity incentive and purchase plans	1,261	1,363	1,256	1,330
Weighted-average ordinary shares used in per share calculations - diluted	61,438	61,463	61,309	61,321
Net income per ordinary share:				
Basic	$ 1.53	$ 1.76	$ 2.30	$ 3.20
Diluted	$ 1.50	$ 1.72	$ 2.26	$ 3.13

Potentially dilutive ordinary shares from our employee equity incentive and purchase plans and the Exchangeable Senior Notes are determined by applying the treasury stock method to the assumed exercise of share options, the assumed vesting of outstanding restricted stock units, or RSUs, the assumed issuance of ordinary shares under our employee stock purchase plan, or ESPP, and the assumed issuance of ordinary shares upon exchange of the Exchangeable Senior Notes. The potential issue of ordinary shares issuable upon exchange of the Exchangeable Senior Notes had no effect on diluted net income per ordinary share because the average price of our ordinary shares for the three and six months ended June 30, 2018 and 2017 did not exceed the effective exchange prices per ordinary share of the Exchangeable Senior Notes.

The following table represents the weighted-average ordinary shares that were excluded from the calculation of diluted net income per ordinary share for the periods presented because including them would have an anti-dilutive effect (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2018	2017	2018	2017
Exchangeable Senior Notes	5,504	2,878	5,504	2,878
Options to purchase ordinary shares and RSUs	3,366	3,121	3,323	3,264
Ordinary shares under ESPP	8	11	17	5

12. Revenues

The following table presents a summary of total revenues (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2018	2017	2018	2017
Xyrem	$ 356,008	$ 298,026	$ 672,785	$ 570,352
Erwinaze/Erwinase	58,713	49,024	109,340	100,412
Defitelio/defibrotide	40,498	30,238	75,559	66,138
Vyxeos	27,951	—	54,179	—
Prialt	8,921	5,656	15,047	13,373
Other	4,004	6,711	10,032	13,058
Product sales, net	496,095	389,655	936,942	763,333
Royalties and contract revenues	4,384	4,731	8,150	7,106
Total revenues	$ 500,479	$ 394,386	$ 945,092	$ 770,439

The following table presents a summary of total revenues attributed to geographic sources (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2018	2017	2018	2017
United States	$ 455,359	$ 356,687	$ 861,046	$ 695,870
Europe	35,018	27,378	63,349	58,730
All other	10,102	10,321	20,697	15,839
Total revenues	$ 500,479	$ 394,386	$ 945,092	$ 770,439

The following table presents a summary of the percentage of total revenues from customers that represented more than 10% of our total revenues:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2018	2017	2018	2017
Express Scripts	71%	75%	71%	74%
McKesson	20%	14%	20%	15%

Financing and payment

Our payment terms vary by the type and location of our customer but payment is generally required in a term ranging from 30 to 45 days.

Contract Liabilities - Deferred Revenue

The deferred revenue balance as of June 30, 2018 primarily related to deferred upfront fees received from Nippon Shinyaku Co., Ltd., or Nippon, in connection with two license, development and commercialization agreements granting Nippon exclusive rights to develop and commercialize each of Defitelio and Vyxeos in Japan. We recognized contract revenues of $1.9 million and $3.7 million during the three and six months ended June 30, 2018, respectively, relating to these upfront payments. The deferred revenue balances are being recognized over an average of four years representing the period we expect to perform our research and developments obligations under each agreement.

The following table presents a reconciliation of our beginning and ending balances in contract liabilities from contracts with customers for the six months ended June 30, 2018 (in thousands):

	Contract Liabilities
Balance as of December 31, 2017	$ 24,733
Effect of adoption of ASU 2014-09	(2,240)
Amount recognized within royalties and contract revenues	(3,749)
Balance as of June 30, 2018	$ 18,744

13. Share-Based Compensation

Share-based compensation expense related to share options, RSUs and grants under our ESPP was as follows (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2018	2017	2018	2017
Selling, general and administrative	$ 19,800	$ 20,874	$ 38,034	$ 40,679
Research and development	4,709	4,859	9,084	9,001
Cost of product sales	1,803	1,527	3,497	2,773
Total share-based compensation expense, pre-tax	26,312	27,260	50,615	52,453
Income tax benefit from share-based compensation expense	(4,846)	(9,838)	(8,514)	(17,462)
Total share-based compensation expense, net of tax	$ 21,466	$ 17,422	$ 42,101	$ 34,991

Share Options

The table below shows the number of shares underlying options granted to purchase our ordinary shares, the weighted-average assumptions used in the Black-Scholes option pricing model and the resulting weighted-average grant date fair value of share options granted:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2018	2017	2018	2017
Shares underlying options granted (in thousands)	80	85	1,232	1,256
Grant date fair value	$ 49.28	$ 46.29	$ 46.28	$ 42.47
Black-Scholes option pricing model assumption information:				
Volatility	34%	35%	35%	35%
Expected term (years)	4.5	4.3	4.5	4.3
Range of risk-free rates	2.5-2.7%	1.6-1.7%	2.2-2.7%	1.6-1.8%
Expected dividend yield	—%	—%	—%	—%

Restricted Stock Units

The table below shows the number of RSUs granted covering an equal number of our ordinary shares and the weighted-average grant date fair value of RSUs granted:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2018	2017	2018	2017
RSUs granted (in thousands)	32	34	493	502
Grant date fair value	$ 152.36	$ 149.78	$ 141.36	$ 136.44

The fair value of RSUs is determined on the date of grant based on the market price of our ordinary shares on that date. The fair value of RSUs is expensed ratably over the vesting period, generally over four years.

As of June 30, 2018, compensation cost not yet recognized related to unvested share options and RSUs was $91.4 million and $109.6 million, respectively, which is expected to be recognized over a weighted-average period of 2.8 years.

14. Income Taxes

Our income tax provision was $36.5 million and $55.7 million in the three and six months ended June 30, 2018, respectively, compared to $35.5 million and $64.7 million for the same periods in 2017. The effective tax rates were 28.2% and 28.6% in the three and six months ended June 30, 2018, respectively, compared to 25.1% and 25.2% for the same periods in 2017. The increase in the effective tax rate for the three months ended June 30, 2018 compared to the same period in 2017 was primarily due to the impairment charge recognized on the Prialt assets held for sale, partially offset by a decrease in the U.S. corporate income tax rate. The increase in the effective tax rate for the six months ended June 30, 2018 compared to the same period in 2017 was primarily due to the impairment charge recognized on the Prialt assets held for sale and the impact of the accrued estimated loss contingency, partially offset by a decrease in the U.S. corporate income tax rate. The effective tax rates for the three and six months ended June 30, 2018 were higher than the Irish statutory rate of 12.5% primarily due to various expenses not deductible for income tax purposes, income taxable at a rate higher than the Irish statutory rate and unrecognized tax benefits. We do not provide for Irish income taxes on undistributed earnings of our foreign operations that are intended to be indefinitely reinvested in our foreign subsidiaries.

Our net deferred tax liability primarily arose due to the acquisition of Celator. The balance is net of deferred tax assets which are comprised primarily of U.S. federal and state tax credits, U.S. federal and state and foreign net operating loss carryforwards and other temporary differences. We maintain a valuation allowance against certain foreign and U.S. federal and state deferred tax assets. Each reporting period, we evaluate the need for a valuation allowance on our deferred tax assets by jurisdiction and adjust our estimates as more information becomes available.

We are required to recognize the financial statement effects of a tax position when it is more likely than not, based on the technical merits, that the position will be sustained upon examination. As a result, we have recorded an unrecognized tax benefit for certain tax benefits which we judge may not be sustained upon examination. Our most significant tax jurisdictions are Ireland, the U.S. (both at the federal level and in various state jurisdictions), Italy and France. These jurisdictions have statutes of limitations ranging from three to five years. However, in the U.S. (at the federal level and in most states), carryforward tax attributes that were generated in 2013 and earlier may still be adjusted upon examination by the tax authorities. Certain of our subsidiaries are currently under examination by the French tax authorities for the years ended December 31, 2012 and 2013. These examinations may lead to ordinary course adjustments or proposed adjustments to our taxes. In December 2015, we received proposed tax assessment notices from the French tax authorities for 2012 and 2013 relating to certain transfer pricing adjustments. The notices propose additional French tax of approximately $45 million, including interest and penalties through the date of the assessment, translated at the foreign exchange rate at June 30, 2018. We disagree with the proposed assessment and are contesting it vigorously.

During the three and six months ended June 30, 2018, we did not record any measurement period adjustments to the provisional estimates recorded as of December 31, 2017 in accordance with the SEC's Staff Accounting Bulletin No. 118, or SAB 118. We will continue to analyze the impact of the U.S. Tax Cuts and Jobs Act of 2017 under SAB 118 and will record adjustments to provisional amounts as our analyses are refined.

15. Assets Held for Sale

On June 29, 2018, we entered into an APA with TerSera, pursuant to which TerSera will purchase substantially all of our assets related to the manufacture, marketing and sale of Prialt, but excluding accounts receivable, as well as assume certain related liabilities as set forth in the APA. Under the terms of the APA, upon closing, TerSera will pay us an aggregate purchase price of $80.0 million. The transaction is expected to close in the third quarter of 2018. The closing of the transaction on the proposed terms and schedule is subject to risks and uncertainties, including those related to the satisfaction of closing conditions.

The assets related to Prialt to be transferred to TerSera met the assets held for sale criteria and were reclassified to assets held for sale as of June 30, 2018. We adjusted the carrying value of the assets held for sale to fair value less costs to sell, which resulted in an impairment charge of $42.9 million in our condensed consolidated statements of income for the three and six months ended June 30, 2018, primarily related to the carrying balances of intangible assets.

We determined that the expected disposal of these assets does not qualify for reporting as a discontinued operation since it does not represent a strategic shift that has or will have a major effect on our operations and financial results.

The following assets were segregated and classified as assets held for sale in the condensed consolidated balance sheet as of June 30, 2018 (in thousands):

Intangible assets, net	$	117,996
Inventories		2,933
Valuation allowance		(42,896)
Assets held for sale	$	78,033

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion of our financial condition and results of operations should be read in conjunction with the condensed consolidated financial statements and the notes to condensed consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q. This discussion contains forward-looking statements that involve risks and uncertainties. When reviewing the discussion below, you should keep in mind the substantial risks and uncertainties that could impact our business. In particular, we encourage you to review the risks and uncertainties described in "Risk Factors" in Part II, Item 1A in this Quarterly Report on Form 10-Q. These risks and uncertainties could cause actual results to differ materially from those projected in forward-looking statements contained in this report or implied by past results and trends. Forward-looking statements are statements that attempt to forecast or anticipate future developments in our business, financial condition or results of operations. See the "Cautionary Note Regarding Forward-Looking Statements" that appears at the end of this discussion. These statements, like all statements in this report, speak only as of the date of this Quarterly Report on Form 10-Q (unless another date is indicated), and we undertake no obligation to update or revise these statements in light of future developments.

Overview

Jazz Pharmaceuticals plc is an international biopharmaceutical company focused on improving patients' lives by identifying, developing and commercializing meaningful products that address unmet medical needs.

We have a diverse portfolio of products and product candidates, with a focus in the areas of sleep and hematology/oncology. Our lead marketed products are:

- **Xyrem® (sodium oxybate) oral solution**, the only product approved by the U.S. Food and Drug Administration, or FDA, and marketed in the U.S. for the treatment of both cataplexy and excessive daytime sleepiness, or EDS, in patients with narcolepsy;
- **Erwinaze® (asparaginase *Erwinia chrysanthemi*)**, a treatment approved in the U.S. and in certain markets in Europe (where it is marketed as Erwinase®) for patients with acute lymphoblastic leukemia, or ALL, who have developed hypersensitivity to *E. coli*-derived asparaginase;
- **Defitelio® (defibrotide sodium)**, a product approved in the U.S. for the treatment of adult and pediatric patients with hepatic veno-occlusive disease, or VOD, also known as sinusoidal obstruction syndrome with renal or pulmonary dysfunction following hematopoietic stem cell transplantation, or HSCT, and in Europe (where it is marketed as Defitelio® (defibrotide)) for the treatment of severe VOD in adults and children undergoing HSCT therapy; and
- **Vyxeos® (daunorubicin and cytarabine) liposome for injection**, a product approved in the U.S. for the treatment of adults with newly-diagnosed therapy-related acute myeloid leukemia, or t-AML, or acute myeloid leukemia, or AML, with myelodysplasia-related changes, or AML-MRC.

Our strategy is to create shareholder value by:

- Growing sales of the existing products in our portfolio, including by identifying and investing in growth opportunities such as new treatment indications and new geographic markets;
- Acquiring or licensing rights to clinically meaningful and differentiated products on the market or product candidates at various stages of development; and
- Pursuing targeted development of post-discovery differentiated product candidates.

We apply a disciplined approach to allocating our resources between investments in our current commercial and development portfolio and acquisitions or in-licensing of new assets.

In the three and six months ended June 30, 2018, our total net product sales increased by 27% and 23%, respectively, compared to the same periods in 2017, primarily due to an increase in Xyrem net product sales and net product sales of Vyxeos, which launched in the U.S. in August 2017. We expect total net product sales to increase in 2018 over 2017, primarily due to expected growth in sales of Xyrem, Vyxeos and Defitelio. Our ability to increase net product sales is subject to a number of risks and uncertainties as set forth below and under "Risk Factors" in Part II, Item 1A of this Quarterly Report on Form 10-Q. For additional information regarding our net product sales, see "—Results of Operations."

Significant Developments Affecting Our Business

In April 2018, we reached an agreement in principle with the U.S. Department of Justice, or DOJ, on a proposal for a civil settlement of potential claims by the DOJ in the amount of $57.0 million, subject to accrual of interest on the settlement amount from the date of the agreement in principle, negotiation of a definitive settlement agreement and other contingencies. For more information, see Note 9, Commitments and Contingencies—Legal Proceedings of the Notes to Condensed

Consolidated Financial Statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q and "— Other Challenges and Risks."

In April 2018, we submitted a supplemental new drug application, or sNDA, to the FDA seeking revised labeling for Xyrem to include an indication to treat cataplexy and EDS in pediatric narcolepsy patients, along with a pediatric written request report. In June 2018, the FDA accepted our sNDA for priority review with a target action date under the Prescription Drug User Fee Act, or PDUFA, of October 27, 2018.

In May 2018, we purchased a rare pediatric disease priority review voucher, or PRV, from Spark Therapeutics, Inc. for $110.0 million. We may use the PRV to obtain priority review by the FDA for one of our future regulatory submissions.

In June 2018, we entered into a second amendment of our 2015 credit agreement, which amended agreement we refer to in this report as our amended credit agreement, which increased our revolving credit facility from $1.25 billion to $1.60 billion, extended the maturity dates of our term loan facility and revolving credit facility from July 12, 2021 to June 7, 2023, and reduced the applicable margin for determining the interest rates on outstanding borrowings under the facilities.

In June 2018, the European Medicines Agency's Committee for Medicinal Products for Human Use, or CHMP, issued a positive opinion recommending marketing authorization of Vyxeos for the treatment of newly-diagnosed adults with t-AML or AML-MRC. We expect to launch Vyxeos, if approved, in the European Union, or EU, on a rolling basis shortly following approval, which could occur as early as the third quarter of 2018.

In June 2018, we entered into an asset purchase agreement, or APA, with TerSera Therapeutics LLC, or TerSera, pursuant to which TerSera will purchase substantially all of the assets held by us related to Prialt® (ziconotide) intrathecal infusion, but excluding accounts receivable, as well as assume certain liabilities, for $80.0 million. The transaction is expected to close in the third quarter of 2018. The closing of the transaction on the proposed terms and schedule is subject to risks and uncertainties, including those related to the satisfaction of closing conditions.

In August 2018, we announced that the U.S. Centers for Medicare and Medicaid Services granted approval for a New Technology Add-on Payment for Vyxeos for the treatment of adults with newly diagnosed t-AML or AML-MRC.

In August 2018, we announced a five-year collaboration with The University of Texas MD Anderson Cancer Center to evaluate potential treatment options for hematologic malignancies, with a near-term focus on Vyxeos.

Continued Emphasis on Research and Development

During the six months ended June 30, 2018, we continued our focus on research and development activities, which currently include clinical development of new product candidates, activities related to line extensions and new indications for existing products and the generation of additional clinical data for existing products, all in our sleep and hematology/oncology therapeutic areas.

A summary of our ongoing development activities is provided below:

Project	Disease Area	Status
Sleep		
Solriamfetol (JZP-110)	Excessive sleepiness, or ES, in obstructive sleep apnea, or OSA, and ES in narcolepsy	NDA accepted for filing by FDA in first quarter of 2018 with a target action date under PDUFA of December 20, 2018; preparing to submit a marketing authorization application, or MAA, to the European Medicines Agency, or EMA, in late 2018
Solriamfetol (JZP-110)	ES in Parkinson's disease	Enrollment in Phase 2 trial completed in third quarter of 2018
Xyrem (sodium oxybate)	EDS and cataplexy in pediatric narcolepsy patients with cataplexy	sNDA accepted for filing by FDA in second quarter of 2018 with a target action date under PDUFA of October 27, 2018
JZP-507 (oxybate; 50% sodium reduction)	EDS and cataplexy in narcolepsy	NDA submission under evaluation
JZP-258 (oxybate; 90% sodium reduction)	EDS and cataplexy in narcolepsy	First patient enrolled in Phase 3 trial in first quarter of 2017; expect to complete enrollment near year-end 2018; subject to results of trial, expect to submit an NDA to the FDA in 2019
JZP-258	Idiopathic hypersomnia	Expect to initiate Phase 3 trial in fall of 2018

Project	Disease Area	Status
Oxybate once-nightly dosing	Narcolepsy	Program progressing; evaluation of deuterated oxybate and other formulation options continues as part of once-nightly development process
Hematology/Oncology		
Vyxeos	High-risk AML	Submitted an MAA to the EMA in fourth quarter of 2017; in second quarter of 2018, CHMP issued positive opinion recommending marketing authorization
Vyxeos	Myelodysplastic syndrome	Preparing for Phase 2 trial with cooperative group with planned initiation in fourth quarter of 2018
Defibrotide	Prevention of VOD in high-risk patients following HSCT	First patient enrolled in Phase 3 trial in first quarter of 2017
Defibrotide	Prevention of acute Graft versus Host Disease following allogeneic HSCT	First patient enrolled in Phase 2 proof of concept trial in first quarter of 2018
Defibrotide	Transplant-associated thrombotic microangiopathy	Expect to activate sites in pivotal Phase 2 trial in fourth quarter of 2018
Asparaginase	ALL and other hematological malignancies	Activities related to development of improved products, including a recombinant crisantaspase
CombiPlex combinations	Oncology/hematological disorders	Pre-clinical evaluation of oncology therapeutic combinations

In addition, we are engaged in a number of licensing and collaboration agreements, including with:

- ImmunoGen, Inc., or ImmunoGen, for opt-in rights to license two early-stage, hematology-related antibody-drug conjugate, or ADC, product candidates, one of which has been granted orphan drug designation by the FDA, as well as an additional ADC product candidate;
- Pfenex, Inc., or Pfenex, for rights to multiple early-stage hematology product candidates and an option to negotiate a license for a recombinant pegaspargase product candidate; and
- XL-protein GmbH, or XLp, for rights to use XLp's PASylation® technology to extend the plasma half-life of selected asparaginase product candidates.

For 2018 and beyond, we expect that our research and development expenses will continue to increase from historical levels, particularly as we prepare for anticipated regulatory submissions, initiate and undertake additional clinical trials and related development work and potentially acquire rights to additional product candidates. Our ability to continue to undertake our planned development activities, as well as the success of these activities, are subject to a number of risks and uncertainties, including the risk factors under the headings "Risks Related to Our Business" and "Risks Related to Our Industry" in Part II, Item 1A of this Quarterly Report on Form 10-Q.

Challenges, Risks and Trends Related to Our Lead Marketed Products and Product Candidates Submitted for Regulatory Approval

Xyrem. Xyrem is our largest selling product, and our financial results are significantly influenced by sales of Xyrem, which accounted for 72% of our net product sales for the three and six months ended June 30, 2018, and 74% of our net product sales for the year ended December 31, 2017. As a result, we continue to place a high priority on seeking to increase sales of Xyrem in its approved indications, while remaining focused on ensuring the safe and effective use of the product. We also focus on enhancing and enforcing our intellectual property rights related to Xyrem, and on product development efforts to develop product, service and safety improvements for patients.

Our future plans assume that sales of Xyrem will increase, but we cannot assure you that we can maintain sales of Xyrem at or near current levels, or that Xyrem sales will continue to grow. We have periodically increased the price of Xyrem, most recently in January 2018, and we cannot assure you that price adjustments we have taken or may take in the future will not negatively affect Xyrem sales volumes.

Our ability to maintain or increase Xyrem product sales is subject to risks and uncertainties, including those discussed in "Risk Factors" in Part II, Item 1A of this Quarterly Report on Form 10-Q, including those related to:

- the potential U.S. introduction of a generic version of Xyrem before the entry dates specified in our settlements with certain abbreviated new drug application, or ANDA, filers or on terms that are different from those contemplated by the settlement agreements, as further described below;

- the potential U.S. introduction of new products that compete with, or otherwise disrupt the market for, Xyrem in the treatment of cataplexy and/or EDS in narcolepsy;
- changes to or uncertainties around regulatory restrictions, including, among other things, changes to our Xyrem risk evaluation and mitigation strategy, or REMS, as further described below;
- challenges and potential challenges to our intellectual property around Xyrem, including uncertainty in ongoing ANDA litigation or the possibility of new ANDA filers and challenges;
- any increase in pricing pressure from, changes in policies by, or restrictions on reimbursement imposed by, third party payors;
- changes in healthcare laws and policy, including changes in requirements for patient assistance programs, rebates, reimbursement and coverage by federal healthcare programs, and changes resulting from increased scrutiny on pharmaceutical pricing and REMS programs by government entities;
- operational disruptions at the Xyrem central pharmacy or any failure to comply with our REMS obligations to the satisfaction of the FDA;
- any supply or manufacturing problems, including any problems with our sole source Xyrem active pharmaceutical ingredient, or API, provider;
- continued acceptance of Xyrem by physicians and patients, including as a result of negative publicity that surfaces from time to time;
- changes to our label, including new safety warnings or changes to our boxed warning, that further restrict how we market and sell Xyrem; and
- our U.S.-based API and Xyrem suppliers' ability to obtain sufficient quotas from the U.S. Drug Enforcement Administration, or DEA, to satisfy our needs for Xyrem.

Although Xyrem is protected by patents covering its manufacture, formulation, distribution system and method of use, nine companies have filed ANDAs with the FDA seeking approval to market a generic version of Xyrem. We filed patent lawsuits against each of the ANDA filers in the federal district court of New Jersey, or District Court, asserting that such generic products would violate our patents covering Xyrem. We have settled lawsuits against eight of the ANDA filers. In our settlement with the first filer, West-Ward Pharmaceuticals Corp. (a wholly owned subsidiary of Hikma Pharmaceuticals PLC), or West-Ward, we granted West-Ward the right to sell an authorized generic version of Xyrem, or AG Product, beginning on January 1, 2023, or earlier under certain circumstances, including circumstances related to the licensing or market entry of another generic sodium oxybate product, a final decision that all unexpired claims of the Xyrem patents are invalid and/or unenforceable, or a substantial reduction in Xyrem net sales over specified periods of time. We also granted West-Ward a license to launch its own generic sodium oxybate product as early as six months after it has the right to sell the AG Product, unless it elects to continue to sell the AG Product, which it may do for up to a total of five years. In our settlements with Par Pharmaceutical, Inc., or Par, and Lupin Inc., or Lupin, we granted each of them the right to sell a limited volume of an AG Product beginning on July 1, 2023, or earlier under certain circumstances, including acceleration of West-Ward's AG Product launch date. We also granted each of Par and Lupin a license to launch its own generic sodium oxybate product on or after December 31, 2025, or earlier under certain circumstances, including circumstances related to the launch of a generic sodium oxybate product by West-Ward or another company under its ANDA. We have also settled all lawsuits with five of the other ANDA filers, granting each of them a license to launch its own generic sodium oxybate product on or after December 31, 2025, or earlier under certain circumstances, including the launch by West-Ward or another company of a generic sodium oxybate product under its ANDA.

The patent lawsuit against the sole remaining non-settling ANDA filer remains pending. Although no trial date has been set, discovery is scheduled to conclude in the fourth quarter of 2018, and the trial in this case could occur as early as the first quarter of 2019. We cannot predict the timing or outcome of the ANDA litigation proceedings against the remaining non-settling ANDA filer. We also do not know whether additional ANDAs have been or will be filed.

In July 2016, the Patent Trial and Appeal Board, or PTAB, issued final decisions that the claims of six patents associated with the Xyrem REMS are unpatentable. In March 2017, the PTAB issued a final decision that three claims of a seventh Xyrem patent associated with the Xyrem REMS are unpatentable. In July 2018, the United States Court of Appeals for the Federal Circuit upheld the July 2016 and March 2017 PTAB decisions on appeal, and as a result, we will not be able to enforce claims the PTAB found unpatentable.

For a further description of these legal proceedings and certain of the settlement agreements relating to Xyrem, see Note 9, Commitments and Contingencies—Legal Proceedings of the Notes to Condensed Consolidated Financial Statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q.

The actual timing of any commercial launch of an AG Product or a generic sodium oxybate product is uncertain. We do not believe a launch by an ANDA filer is likely to occur prior to either a date agreed in a settlement agreement between us and such ANDA filer or a final decision in patent litigation. However, notwithstanding our patents and the terms of settlement agreements licensing those patents as of future dates, it is possible that any non-settling company that obtains and maintains FDA approval of an ANDA for a generic version of Xyrem or an NDA for another sodium oxybate product could introduce such product before our patents expire or before the entry dates specified in our settlement agreements, including if it is determined that our patents are invalid or unenforceable, if such company obtains a final judicial determination that its products do not infringe our patents, or if such company decides, before applicable patent litigation is concluded, to launch a sodium oxybate product at risk of being held liable for damages for patent infringement. In addition, even if we prevail in litigation at trial or on appeal, we cannot guarantee that a court will grant an injunction that prevents a defendant from marketing a product that infringes our patents. Instead, the court may order a party that is found to infringe to pay damages, which could be significant. If a non-settling company launches a product in any of these scenarios, it could accelerate the launch dates for the AG Products and generic sodium oxybate products under our settlements agreements, depending on the circumstances.

In addition, Xyrem could also be subject to potential future competition from other products. Companies could develop and launch sodium oxybate or other products that are similar, but not identical, to Xyrem, such as an alternative formulation or an alternative delivery technology. For example, Avadel Pharmaceuticals plc, or Avadel, is using its proprietary technology for delivery of a sodium oxybate formulation to eliminate second nighttime dosing for narcolepsy patients. Avadel has stated that it is conducting a Phase 3 pivotal trial pursuant to an FDA-approved special protocol assessment, and has indicated that it intends to seek approval of its product candidate using a Section 505(b)(2) NDA approval pathway referencing Xyrem. We are also aware of products being developed by others for use as treatment options in cataplexy and/or EDS in patients with narcolepsy that have different safety profiles and mechanisms of action than Xyrem, including a product to treat adult patients with narcolepsy with or without cataplexy that received marketing approval in Europe in 2016. While this product is currently not approved by the FDA for marketing in the U.S., the company that has exclusive U.S. commercialization rights to this product recently established an expanded access program for the product and has announced that the product has received Breakthrough Therapy and Fast Track designations from the FDA. If any company successfully develops, obtains FDA approval of and launches a product that is approved in the U.S. for the treatment of narcolepsy patients, it could result in a substantial reduction of Xyrem sales, which could have the additional impact of potentially triggering acceleration of market entry of AG Products or other generic sodium oxybate products under our ANDA litigation settlement agreements, as described elsewhere in this Quarterly Report on Form 10-Q. We expect that the launch of an AG Product or other generic version of Xyrem, or the approval and launch of other products that compete with Xyrem, could have a material adverse effect on our sales of Xyrem and on our business, financial condition, results of operations and growth prospects.

In February 2015, the FDA approved the current Xyrem REMS, which requires, among other things, that Xyrem be distributed through a single pharmacy. In the FDA's letter approving the Xyrem REMS, the FDA stated that (i) the approval action should not be construed or understood as agreement with what the FDA stated was our position that dispensing through a single pharmacy is the only way to ensure that the benefits of Xyrem outweigh its risks, and that the FDA has continuing concerns that limiting the distribution of Xyrem to one pharmacy imposes burdens on patient access and the healthcare delivery system, and (ii) as with all REMS, the FDA intends to evaluate the Xyrem REMS on an ongoing basis and will require modifications as may be appropriate. We cannot predict whether the FDA will request, seek to require or ultimately require modifications to, or impose additional requirements on, the Xyrem REMS, including in connection with the submission of applications for new oxybate indications or products, or whether FDA will permit modifications to the Xyrem REMS that we consider warranted in connection with the submission of applications for new oxybate indications or products. Any such modifications required or rejected by the FDA could make it more difficult or expensive for us to distribute Xyrem, make distribution easier for sodium oxybate competitors, impair the safety profile of Xyrem, disrupt continuity of care for Xyrem patients and/or negatively affect sales of Xyrem.

In January 2017, the FDA announced approval of West-Ward's ANDA and waived the shared REMS requirement, permitting West-Ward to use a separate REMS program from the Xyrem REMS, or the generic sodium oxybate REMS, on the condition that the generic sodium oxybate REMS be open to all future sponsors of ANDAs or NDAs for sodium oxybate products. This could potentially include future sodium oxybate products approved under a Section 505(b)(2) approval pathway. We cannot predict whether a company marketing a sodium oxybate product approved under Section 505(b)(2) would be required or permitted to distribute its product through the generic sodium oxybate REMS or a separate REMS.

We were not involved in the development of the generic sodium oxybate REMS and were not consulted regarding any features of this REMS. A sodium oxybate distribution system that is less restrictive than the Xyrem REMS, such as the generic sodium oxybate REMS, which provides that generic sodium oxybate products could be distributed through multiple pharmacies, could increase the risks associated with sodium oxybate distribution. Any negative outcomes, including risks to the public, caused by or otherwise related to a separate sodium oxybate REMS, could have a significant negative impact in terms of product liability, public acceptance of Xyrem as a treatment for EDS and cataplexy in narcolepsy, and prescribers' willingness to prescribe, and patients' willingness to take, Xyrem, as patients, consumers and others may not differentiate

generic sodium oxybate from Xyrem or differentiate between the different REMS programs, any of which could have a material adverse effect on our Xyrem business.

We may face pressure to modify the Xyrem REMS or to license or share intellectual property pertinent to the Xyrem REMS, including proprietary data required for the safe distribution of sodium oxybate, in connection with the FDA's approval of the generic sodium oxybate REMS or otherwise. We continue to evaluate potential challenges based on the FDA's waiver of the requirement for a single, shared system REMS in connection with the approvals of the ANDAs, including whether the FDA's waiver decision meets the conditions for such a waiver under applicable law. We cannot predict whether or when we may pursue any such challenges or whether any such challenges would be successful.

For further discussion regarding the risks associated with Xyrem, see the risk factors under the headings "Risks Related to Xyrem and the Significant Impact of Xyrem Sales," "*We face substantial competition from other companies, including companies with greater resources, including larger sales organizations and more experience working with large and diverse product portfolios, than we have*" and "Risks Related to Our Intellectual Property" in Part II, Item 1A of this Quarterly Report on Form 10-Q.

Erwinaze/Erwinase. Sales of our second largest product, Erwinaze/Erwinase (which we refer to in this report as Erwinaze unless otherwise indicated or the context otherwise requires), accounted for 12% of our net product sales for the three and six months ended June 30, 2018, and 12% for the year ended December 31, 2017. A significant challenge to our ability to maintain current sales levels and to increase sales is our extremely limited inventory of Erwinaze, past and continuing supply disruptions and our need to minimize or avoid additional supply disruptions due to capacity constraints, production delays, quality or regulatory challenges and other manufacturing difficulties. Erwinaze is licensed from and manufactured by a single source, Porton Biopharma Limited, or PBL.

In January 2017, the FDA issued a warning letter to PBL indicating that it was not satisfied with PBL's responses to the FDA Form 483 issued to PBL in March 2016 and citing significant violations of the FDA's current Good Manufacturing Practices, or cGMP, for finished pharmaceuticals and significant deviations from cGMP for APIs. In March 2017, PBL filed a response to the warning letter with the FDA. In August 2018, the FDA conducted an inspection of the PBL manufacturing facility and issued an FDA Form 483 to PBL citing observations related to items referenced in the warning letter as well as other manufacturing practices, including data and records management. PBL continues to address the issues identified by the FDA in the warning letter and is preparing a response to the August 2018 Form 483. Following a site inspection of PBL by the UK Medicines and Healthcare Products Regulatory Agency, or MHRA, in December 2017, MHRA issued an inspection report listing several major findings, including major deficiencies and failures by PBL to comply with cGMP. In January 2018, PBL filed a response to the report with the MHRA. We cannot predict if or when PBL will correct the violations and deviations to the satisfaction of the FDA and MHRA or whether the FDA and MHRA will be satisfied with PBL's responses. Any failure by PBL to respond to the satisfaction of the FDA or MHRA could result in enforcement actions by the FDA or MHRA, including the FDA refusing admission of Erwinaze into the U.S. Any of these actions could have a material adverse effect on our sales of, and revenues from, Erwinaze and limit our future maintenance and potential growth of the market for this product.

Moreover, the current manufacturing capacity for Erwinaze is completely absorbed by demand for the product. As a consequence of constrained manufacturing capacity, we have had an extremely limited or no ability to build product inventory levels that can be used to absorb supply disruptions resulting from quality, regulatory or other issues. We have experienced product quality, manufacturing and inventory challenges that have resulted, and may continue to result from time to time, in disruptions in our ability to supply certain markets and have caused, and may in the future cause, us to implement batch-specific, modified product use instructions. Most recently, we experienced temporary supply disruptions in the second quarter of 2018 globally, and we have been experiencing supply disruptions in the third quarter of 2018 in certain markets. We cannot predict whether the required remediation activities in connection with the January 2017 FDA warning letter, the December 2017 MHRA report or the August 2018 FDA Form 483 will further strain manufacturing capacity and adversely affect Erwinaze supply, particularly in light of our extremely limited product inventory. As capacity constraints and supply disruptions continue, whether as a result of continued quality, manufacturing or regulatory issues or otherwise, we will be unable to build a desired excess level of product inventory, our ability to supply the market may continue to be compromised and physicians' decisions to use Erwinaze have been, and in the future may continue to be, negatively impacted. If we fail to obtain a sufficient supply of Erwinaze, our sales of and revenues from Erwinaze, our future maintenance and potential growth of the market for this product, and our business, financial condition, results of operations and growth prospects could be materially adversely affected.

In addition, our agreement with PBL, including our license, expires in December 2020, subject to five-year extensions unless terminated by either party in writing by December 2018. We cannot predict whether the term of the agreement will be extended or, if extended, the terms of any such extension. If the agreement is terminated, we will lose our license to sell Erwinaze in any market after December 2020, except under specified terms for a post-termination transition period.

Our ability to successfully maintain sales of Erwinaze is subject to a number of other challenges, including the development of new asparaginase treatments or treatment protocols and potential competition from future biosimilar products. For further discussion of these and other risks and uncertainties associated with Erwinaze, see the risk factors set forth in "Risk Factors" in Part II, Item 1A of this Quarterly Report on Form 10-Q.

Defitelio/defibrotide. Sales of Defitelio/defibrotide were 8% of our net product sales for the three and six months ended June 30, 2018, and 8% for the year ended December 31, 2017. We seek to increase sales of Defitelio through sales and marketing activities. However, our ability to maintain and grow sales and to realize the anticipated benefits from our investment in Defitelio is subject to a number of risks and uncertainties, including continued acceptance by hospital pharmacy and therapeutics committees in the U.S., the continued availability of favorable pricing and adequate coverage and reimbursement, the limited experience of, and need to educate, physicians in recognizing, diagnosing and treating VOD, and the limited size of the population of VOD patients who are indicated for treatment with Defitelio. If sales of Defitelio do not reach the levels we expect, our anticipated revenue from the product will be negatively affected and our business, financial condition, results of operations and growth prospects could be materially adversely affected.

For further discussion of these and other risks and uncertainties associated with Defitelio, see the risk factors set forth in "Risks Factors" in Part II, Item 1A of this Quarterly Report on Form 10-Q.

Vyxeos. In August 2017, the FDA approved our NDA for Vyxeos for the treatment of adults with newly-diagnosed t-AML or AML-MRC. We launched and began shipping Vyxeos in the U.S. in August 2017, and our commercial launch in the U.S. is still at an early stage. Sales of Vyxeos were 6% of our net product sales for the three and six months ended June 30, 2018, and 2% of our net product sales for the year ended December 31, 2017. In the fourth quarter of 2017, we submitted an MAA for Vyxeos in the European Union, or EU, for the treatment of t-AML or AML-MRC. In June 2018, the CHMP issued a positive opinion recommending marketing authorization of Vyxeos. We expect to launch Vyxeos, if approved, in the EU on a rolling basis shortly following approval, which could occur as early as the third quarter of 2018. We cannot predict whether we will be able to obtain approval in the EU in a timely manner, or at all.

Our ability to realize the anticipated benefits from our investment in Vyxeos is subject to a number of additional risks and uncertainties, including potential delays or problems in the supply or manufacture of Vyxeos, acceptance by hospital pharmacy and therapeutics committees in the U.S., the availability of adequate coverage, pricing and reimbursement approvals and potential competition from products in development. Vyxeos is manufactured by Baxter Oncology GmbH, or Baxter, which is a sole source supplier from a single site location. There have been batch failures due to mechanical, component and other issues, and batches have been produced that have otherwise not been in compliance with applicable specifications. We are continuing to work with Baxter to address manufacturing complexities. If we fail to obtain a sufficient supply of Vyxeos due to manufacturing or regulatory challenges, our sales of and revenues from Vyxeos, our future maintenance and potential growth of the market for this product, and our business, financial condition, results of operations and growth prospects could be materially adversely affected. In any event, if sales of Vyxeos do not reach the levels we expect, or we are unable to obtain regulatory approval for Vyxeos in the EU in a timely manner, or at all, our anticipated revenue from the product will be negatively affected, which could have a material adverse effect on our business, financial condition, results of operations and growth prospects. For further discussion of these and other risks and uncertainties associated with Vyxeos, see the risk factors set forth in "Risks Factors" in Part II, Item 1A of this Quarterly Report on Form 10-Q.

Solriamfetol. In the fourth quarter of 2017, we submitted an NDA to the FDA to seek approval for solriamfetol in the treatment of ES associated with OSA and narcolepsy. In the first quarter of 2018, the FDA accepted the NDA for filing with a standard review. The FDA has set a target action date under PDUFA of December 20, 2018. We cannot predict whether our NDA will be approved by the FDA in a timely manner, or at all. Our ability to realize the anticipated benefits from an approved solriamfetol product and our investment in solriamfetol is subject to a number of risks and uncertainties, including, among other things, the outcome of DEA scheduling review, which will need to be completed after NDA approval, if any, but before commercial launch, market acceptance for an approved solriamfetol product, potential competition from other products in development and the availability of adequate pricing, coverage and reimbursement by government programs and third party payors. For further discussion of these and other risks and uncertainties associated with solriamfetol, see the risk factors set forth in "Risks Factors" Part II, Item 1A of this Annual Report on Form 10-Q.

Other Challenges and Risks

We anticipate that we will continue to face a number of other challenges and risks to our business and our ability to execute our strategy in 2018 and beyond. Some of these challenges and risks are specific to our business, and others are common to companies in the pharmaceutical industry with development and commercial operations.

Drug pricing by pharmaceutical companies is currently, and is expected to continue to be, under close scrutiny, including with respect to companies that have increased the price of products after acquiring those products from other companies. Several states have recently passed laws aimed at increasing transparency relating to drug pricing, and other states may do so in

the future. Both the U.S. House of Representatives and the U.S. Senate have conducted several hearings with respect to pharmaceutical drug pricing practices, including in connection with the investigation of specific price increases by several pharmaceutical companies. Moreover, REMS and the improper use of REMS as a means of improperly blocking or delaying competition for branded pharmaceutical products has increasingly drawn public scrutiny from Congress, the Federal Trade Commission, or FTC, and the FDA. Congress, for example, has introduced proposed legislation aimed at preventing companies from using REMS and other restricted distribution programs as a means to deny potential competitors access to product samples needed for bioequivalence testing. The FDA has stated that it will seek to coordinate with the FTC in identifying and publicizing practices the FTC finds to be anticompetitive and has further stated that the FDA has concerns related to the role of REMS programs in delaying approval of generic products. If we become the subject of any government investigation with respect to our drug pricing or other business practices, including as they relate to the Xyrem REMS, we could incur significant expense and could be distracted from operation of our business and execution of our strategy.

In May and October 2016 and in February 2017, we received subpoenas from the U.S. Attorney's Office for the District of Massachusetts requesting documents related to our support of 501(c)(3) organizations that provide financial assistance to Medicare patients and documents concerning the provision of financial assistance to Medicare patients taking drugs sold by us. Other companies have disclosed similar subpoenas and continuing inquiries. We have a comprehensive program intended to ensure our compliance with applicable legal and regulatory requirements for pharmaceutical companies, including guidelines established by the Office of Inspector General of the U.S. Department of Health and Human Services regarding patient assistance programs, and we have been cooperating with the government's investigation. We have engaged in discussions with the DOJ about a possible resolution, and in April 2018, we reached an agreement in principle with the DOJ on a proposal for a civil settlement of potential claims by the DOJ in the amount of $57.0 million, subject to accrual of interest on the settlement amount from the date of the agreement in principle, negotiation of a definitive settlement agreement and other contingencies. We cannot provide assurances that our efforts to reach a final settlement with the DOJ will be successful or, if they are, the timing or final terms of any such settlement. Any such settlement is also likely to involve entry into a corporate integrity agreement, which would impose costs and burdens on the operation of our business. If we do not reach a final settlement, the outcome of this investigation could include an enforcement action against us. If the federal government were to file an enforcement action against us as a result of the investigation and could establish the elements of a violation of relevant laws, we could be subject to damages, fines and penalties, which could be substantial, along with other criminal, civil or administrative sanctions, and we would expect to incur significant costs in connection with such enforcement action, regardless of the outcome. For more information, see Note 9, Commitments and Contingencies—Legal Proceedings of the Notes to Condensed Consolidated Financial Statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q and the risk factors under the headings "*Changes in healthcare law and implementing regulations, including those based on recently enacted legislation, as well as changes in healthcare policy, may impact our business in ways that we cannot currently predict, and these changes could have a material adverse effect on our business and financial condition*" and "*We are subject to significant ongoing regulatory obligations and oversight, which may result in significant additional expense and limit our ability to commercialize our products*" in Part II, Item 1A of this Quarterly Report on Form 10-Q.

Other key challenges and risks that we face include risks and uncertainties related to:

- the challenges of protecting and enhancing our intellectual property rights;
- the challenges of achieving and maintaining commercial success of our products;
- delays or problems in the supply or manufacture of our products and product candidates, particularly with respect to certain products as to which we maintain limited inventories, our dependence on single source suppliers for most of our products, product candidates and APIs, and the requirement that we and our product suppliers be qualified by the FDA to manufacture product and comply with applicable manufacturing regulations;
- the need to obtain and maintain appropriate pricing and reimbursement for our products in an increasingly challenging environment due to, among other things, the attention being paid to healthcare cost containment and pharmaceutical pricing in the U.S. and worldwide, including the need to obtain and maintain reimbursement for Xyrem in the U.S. in an environment in which we are subject to increasingly restrictive conditions for reimbursement required by government programs and third party payors;
- our ability to identify and acquire, in-license or develop additional products or product candidates to grow our business;
- the challenges of compliance with the requirements of the FDA, the DEA and comparable non-U.S. regulatory agencies, including with respect to product labeling, requirements for distribution, obtaining sufficient DEA quotas where needed, marketing and promotional activities, patient assistance programs, adverse event reporting and product recalls or withdrawals;

- the difficulty and uncertainty of pharmaceutical product development, including the timing thereof, and the uncertainty of clinical success, such as the risk that results from preclinical studies and/or early clinical trials may not be predictive of results obtained in later and larger clinical trials planned or anticipated to be conducted for our product candidates;
- the inherent uncertainty associated with the regulatory approval process, especially as we continue to increase investment in our product pipeline development projects and undertake multiple planned regulatory submissions for our product candidates;
- the risks associated with business combination or product or product candidate acquisition transactions, such as the challenges inherent in the integration of acquired businesses with our historical business, the increase in geographic dispersion among our centers of operation and the risks that we may acquire unanticipated liabilities along with acquired businesses or otherwise fail to realize the anticipated benefits (commercial or otherwise) from such transactions; and
- possible restrictions on our ability and flexibility to pursue certain future opportunities as a result of our substantial outstanding debt obligations.

Any of these risks and uncertainties could have a material adverse effect on our business, financial condition, results of operations and growth prospects. All of these risks are discussed in greater detail, along with other risks, in "Risk Factors" in Part II, Item 1A of this Quarterly Report on Form 10-Q.

Results of Operations

The following table presents our revenues and expenses (in thousands, except percentages):

	Three Months Ended June 30,		Increase/	Six Months Ended June 30,		Increase/
	2018	2017	(Decrease)	2018	2017	(Decrease)
Product sales, net	$ 496,095	$ 389,655	27 %	$ 936,942	$ 763,333	23 %
Royalties and contract revenues	4,384	4,731	(7)%	8,150	7,106	15 %
Cost of product sales (excluding amortization of intangible assets)	34,714	28,672	21 %	68,633	53,737	28 %
Selling, general and administrative	158,579	132,328	20 %	365,792	276,583	32 %
Research and development	56,132	40,157	40 %	118,799	85,085	40 %
Intangible asset amortization	54,959	26,186	110 %	107,966	51,851	108 %
Impairment charges	42,896	—	N/A(1)	42,896	—	N/A(1)
Acquired in-process research and development	—	2,000	N/A(1)	—	2,000	N/A(1)
Interest expense, net	19,646	18,294	7 %	40,251	37,138	8 %
Foreign exchange loss	2,697	5,427	(50)%	4,425	6,891	(36)%
Loss on extinguishment and modification of debt	1,425	—	N/A(1)	1,425	—	N/A(1)
Income tax provision	36,524	35,515	3 %	55,670	64,675	(14)%
Equity in loss of investees	586	203	189 %	923	364	154 %

(1) Comparison to prior period not meaningful.

Revenues

The following table presents our product sales, royalties and contract revenues, and total revenues (in thousands, except percentages):

	Three Months Ended June 30,		Increase/	Six Months Ended June 30,		Increase/
	2018	2017	(Decrease)	2018	2017	(Decrease)
Xyrem	$ 356,008	$ 298,026	19 %	$ 672,785	$ 570,352	18 %
Erwinaze/Erwinase	58,713	49,024	20 %	109,340	100,412	9 %
Defitelio/defibrotide	40,498	30,238	34 %	75,559	66,138	14 %
Vyxeos	27,951	—	N/A(1)	54,179	—	N/A(1)
Prialt	8,921	5,656	58 %	15,047	13,373	13 %
Other	4,004	6,711	(40)%	10,032	13,058	(23)%
Product sales, net	496,095	389,655	27 %	936,942	763,333	23 %
Royalties and contract revenues	4,384	4,731	(7)%	8,150	7,106	15 %
Total revenues	$ 500,479	$ 394,386	27 %	$ 945,092	$ 770,439	23 %

(1) Comparison to prior period not meaningful.

Product Sales, Net

Xyrem product sales increased in the three and six months ended June 30, 2018 compared to the same periods in 2017 due to an increase in sales volume and a higher average net selling price. Xyrem product sales volume increased by 9% for the three and six months ended June 30, 2018 compared to the same periods in 2017 primarily driven by an increase in the average number of patients on Xyrem. Price increases were instituted in January 2018 and July 2017. Erwinaze product sales increased in the three and six months ended June 30, 2018 compared to the same periods in 2017 primarily due to higher sales volumes driven by timing of availability of supply. We experienced supply challenges in the three and six months ended June 30, 2018, which resulted in fluctuations in inventory levels and temporary disruptions in our ability to supply certain markets. Defitelio/defibrotide product sales increased in the three and six months ended June 30, 2018 compared to the same periods in 2017 primarily due to higher volumes and the positive impact of foreign exchange rates. Vyxeos product sales in the three and six months ended June 30, 2018 were $28.0 million and $54.2 million, respectively. Vyxeos launched in the U.S. in August 2017. Prialt product sales increased in the three and six months ended June 30, 2018 compared to the same periods in 2017 primarily due to timing of sales to our European distributor and a change in the relative mix of vial sizes sold. Other product sales decreased in the three and six months ended June 30, 2018 compared to the same periods in 2017 primarily due to a decrease in sales of our psychiatry products due to generic competition, partially offset by an increase in sales of other products. We expect total product sales will increase in 2018 over 2017, primarily due to anticipated growth in sales of Xyrem, Vyxeos and Defitelio.

Royalties and Contract Revenues

Royalties and contract revenues increased in the six months ended June 30, 2018 compared to the same period in 2017 primarily due to higher contract revenues from out-licensing agreements. We expect royalties and contract revenues to increase in 2018 compared to 2017 due to higher contract revenue from out-licensing agreements.

Cost of Product Sales

Cost of product sales increased in the three and six months ended June 30, 2018 compared to the same periods in 2017 primarily due to an increase in net product sales. Gross margin as a percentage of net product sales was 93.0% and 92.7% in the three and six months ended June 30, 2018, respectively, compared to 92.6% and 93.0% for the same periods in 2017. We do not expect our gross margin as a percentage of net product sales to change materially in 2018 compared to 2017.

Selling, General and Administrative Expenses

Selling, general and administrative expenses increased in the three months ended June 30, 2018 compared to the same period in 2017 primarily due to an increase in compensation-related expenses of $5.1 million driven by higher headcount, and higher marketing and promotional expenses primarily due to pre-launch promotional costs for the potential commercial launches of solriamfetol in the U.S. and Vyxeos in the EU. Selling, general and administrative expenses increased in the six

months ended June 30, 2018 compared to the same period in 2017 primarily due to an accrued estimated loss contingency, including related interest, of $57.4 million. In April 2018, we reached an agreement in principle with the DOJ on a proposal for a civil settlement of potential claims by the DOJ in the amount of $57.0 million, subject to accrual of interest on the settlement amount from the date of the agreement in principle, negotiation of a definitive settlement agreement and other contingencies. For a further description of this matter, see Note 9, Commitments and Contingencies—Legal Proceedings of the Notes to Condensed Consolidated Financial Statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q. Selling, general and administrative expenses for the six months ended June 30, 2018 also included an increase in compensation-related expenses of $10.3 million driven by higher headcount, and higher marketing and promotional expenses primarily due to pre-launch promotional costs for the potential commercial launches of solriamfetol in the U.S. and Vyxeos in the EU, compared to the same period in 2017. We expect selling, general and administrative expenses in 2018 to increase compared to 2017, primarily due to an estimated loss contingency, an increase in compensation-related expenses and other expenses resulting from the expansion and support of our business and an increase in expenses related to the preparation for the potential U.S. commercial launch of solriamfetol, the continuation of the U.S launch of Vyxeos and the potential EU commercial launch of Vyxeos.

Research and Development Expenses

Research and development expenses consist primarily of costs related to clinical studies and outside services, personnel expenses, milestone payments and other research and development costs. Clinical study and outside services costs relate primarily to services performed by clinical research organizations, materials and supplies, and other third party fees. Personnel expenses relate primarily to salaries, benefits and share-based compensation. Other research and development expenses primarily include overhead allocations consisting of various support and facilities-related costs. We do not track fully-burdened research and development expenses on a project-by-project basis. We manage our research and development expenses by identifying the research and development activities that we anticipate will be performed during a given period and then prioritizing efforts based on our assessment of which development activities are important to our business and have a reasonable probability of success, and by dynamically allocating resources accordingly. We also continually review our development pipeline projects and the status of their development and, as necessary, reallocate resources among our development pipeline projects that we believe will best support the future growth of our business.

The following table provides a breakout of our research and development expenses by major categories of expense (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2018	2017	2018	2017
Clinical studies and outside services	$ 32,199	$ 18,757	$ 60,388	$ 41,688
Personnel expenses	18,044	15,899	35,248	32,554
Milestone expense	—	—	11,000	—
Other	5,889	5,501	12,163	10,843
Total	$ 56,132	$ 40,157	$ 118,799	$ 85,085

Research and development expenses increased by $16.0 million and $33.7 million in the three and six months ended June 30, 2018, respectively, compared to the same periods in 2017. Clinical studies and outside services costs increased by $13.4 million and $18.7 million in the three and six months ended June 30, 2018, respectively, compared to the same periods in 2017 primarily due to an increase in expenses related to our ongoing pre-clinical and clinical development programs, regulatory activities and support of partner programs, partially offset by lower clinical trial costs following the completion of three Phase 3 clinical trials for solriamfetol. Personnel expenses increased by $2.1 million and $2.7 million in the three and six months ended June 30, 2018, respectively, compared to the same periods in 2017, primarily due to increased headcount in support of our development programs. Milestone expense of $11.0 million in the six months ended June 30, 2018 related to milestone payments following FDA acceptance of our NDA for solriamfetol in March 2018.

For 2018 and beyond, we expect that our research and development expenses will continue to increase from historical levels, particularly as we prepare for anticipated regulatory submissions, initiate and undertake additional clinical trials and related development work and potentially acquire rights to additional product candidates. A discussion of the risks and uncertainties with respect to our research and development activities, including completing the development of and regulatory submissions for our product candidates, and the consequences to our business, financial position and growth prospects can be found in “Risk Factors” in Part II, Item 1A of this Quarterly Report on Form 10-Q.

Intangible Asset Amortization

Intangible asset amortization increased by $28.8 million and $56.1 million in the three and six months ended June 30, 2018, respectively, compared to the same periods in 2017, primarily due to the commencement of amortization of the Vyxeos intangible asset upon FDA approval in August 2017. We expect intangible asset amortization to increase in 2018 compared to 2017 due to the full year of amortization of the Vyxeos intangible asset.

Impairment Charges

In June 2018, we entered into an APA with TerSera, pursuant to which TerSera will purchase substantially all of the assets held by us related to Prialt. In connection with the entry into the APA, we reclassified the Prialt assets to be transferred to TerSera as assets held for sale and recorded these assets at fair value, less estimated sales costs, resulting in the recognition of an impairment charge of $42.9 million in the three and six months ended June 30, 2018.

Acquired In-Process Research and Development

Acquired in-process research and development, or IPR&D, expense in the three and six months ended June 30, 2017 related to an upfront payment of $2.0 million to acquire licenses for technology that supports recombinant crisantaspase product development activities.

Interest Expense, Net

Interest expense, net increased by $1.4 million and $3.1 million in the three and six months ended June 30, 2018, respectively, compared to the same periods in 2017, primarily due to interest expense on our 1.50% exchangeable senior notes due 2024, or the 2024 Notes, which were issued in the third quarter of 2017 and higher interest rates on our term loan borrowings, partially offset by a reduction in interest expense following repayment of our revolving credit facility in full in the third quarter of 2017. We expect interest expense, net will be higher in 2018 compared to 2017 primarily due to the amortization of the debt discount on the 2024 Notes, partially offset by higher interest income.

Foreign Exchange Loss

The foreign exchange loss is primarily related to the translation of euro-denominated net monetary liabilities, primarily intercompany balances, held by subsidiaries with a U.S. dollar functional currency.

Loss on Extinguishment and Modification of Debt

In the three and six months ended June 30, 2018, we recorded a loss of $1.4 million in connection with the amendment of our 2015 credit agreement in June 2018, related to unamortized debt issuance costs and original issue discount associated with extinguished debt and new third party fees associated with modified debt.

Income Tax Provision

Our income tax provision was $36.5 million and $55.7 million in the three and six months ended June 30, 2018, respectively, compared to $35.5 million and $64.7 million for the same periods in 2017. The effective tax rates were 28.2% and 28.6% in the three and six months ended June 30, 2018, respectively, compared to 25.1% and 25.2% for the same periods in 2017. The increase in the effective tax rate for the three months ended June 30, 2018 compared to the same period in 2017 was primarily due to the impairment charge recognized on the Prialt assets held for sale, partially offset by a decrease in the U.S. corporate income tax rate. The increase in the effective tax rate for the six months ended June 30, 2018 compared to the same period in 2017 was primarily due to the impairment charge recognized on the Prialt assets held for sale and the impact of the estimated loss contingency, partially offset by a decrease in the U.S corporate income tax rate. The effective tax rates for the three and six months ended June 30, 2018 were higher than the Irish statutory rate of 12.5% primarily due to various expenses not deductible for income tax purposes, income taxable at a rate higher than the Irish statutory rate and unrecognized tax benefits.

Equity in Loss of Investees

Equity in loss of investees relates to our share in the loss of companies in which we have made investments accounted for under the equity method of accounting.

Liquidity and Capital Resources

As of June 30, 2018, we had cash, cash equivalents and investments of $815.1 million, borrowing availability under our revolving credit facility of $1.6 billion and long-term debt principal balance of $1.8 billion. Our long-term debt included $667.7 million aggregate principal amount term loan, $575.0 million principal amount of our 1.875% exchangeable senior notes due 2021, or the 2021 Notes, and $575.0 million principal amount of the 2024 Notes. We generated cash flows from operations of $354.0 million during the six months ended June 30, 2018, and we expect to continue to generate positive cash flows from operations during 2018.

We believe that our existing cash balances, cash we expect to generate from operations and funds available under our revolving credit facility will be sufficient to fund our operations and to meet our existing obligations for the foreseeable future. The adequacy of our cash resources depends on many assumptions, including primarily our assumptions with respect to product sales and expenses, as well as the other factors set forth in "Risk Factors" in Part II, Item 1A of this Quarterly Report on Form 10-Q under the headings "Risks Related to Xyrem and the Significant Impact of Xyrem Sales" and *"To continue to grow our business, we will need to commit substantial resources, which could result in future losses or otherwise limit our opportunities or affect our ability to operate our business."* Our assumptions may prove to be wrong or other factors may adversely affect our business, and as a result we could exhaust or significantly decrease our available cash resources, and we may not be able to generate sufficient cash to service our debt obligations which could, among other things, force us to raise additional funds and/or force us to reduce our expenses, either of which could have a material adverse effect on our business.

To continue to grow our business over the longer term, we plan to commit substantial resources to product acquisition and in-licensing, product development, clinical trials of product candidates and expansion of our commercial, manufacturing and other operations. In this regard, we have evaluated and expect to continue to evaluate a wide array of strategic transactions as part of our strategy to acquire or in-license and develop additional products and product candidates. Acquisition opportunities that we pursue could materially affect our liquidity and capital resources and may require us to incur additional indebtedness, seek equity capital or both. In addition, we may pursue new operations or continue the expansion of our existing operations. Accordingly, we expect to continue to opportunistically seek access to additional capital to license or acquire additional products, product candidates or companies to expand our operations or for general corporate purposes. Raising additional capital could be accomplished through one or more public or private debt or equity financings, collaborations or partnering arrangements. Any equity financing would be dilutive to our shareholders, and the consent of the lenders under the amended credit agreement could be required for certain financings.

In November 2016, our board of directors authorized a share repurchase program pursuant to which we are authorized to repurchase a number of ordinary shares having an aggregate purchase price of up to $300 million, exclusive of any brokerage commissions. Under this program, which has no expiration date, we may repurchase ordinary shares from time to time on the open market. The timing and amount of repurchases will depend on a variety of factors, including the price of our ordinary shares, alternative investment opportunities, restrictions under the amended credit agreement, corporate and regulatory requirements and market conditions. In the six months ended June 30, 2018, we spent a total of $55.6 million to purchase 0.4 million of our ordinary shares under the share repurchase program at an average total purchase price, including commissions, of $149.16 per share.

The following table presents a summary of our cash flows for the periods indicated (in thousands):

	Six Months Ended June 30,	
	2018	2017
Net cash provided by operating activities	$ 353,983	$ 299,631
Net cash used in investing activities	(237,383)	(33,725)
Net cash used in financing activities	(18,702)	(396,155)
Effect of exchange rates on cash and cash equivalents	1,148	3,499
Net increase (decrease) in cash and cash equivalents	$ 99,046	$ (126,750)

Net cash provided by operating activities of $354.0 million for the six months ended June 30, 2018 related to net income of $138.3 million, adjusted for non-cash items of $213.4 million primarily related to intangible asset amortization, share-based compensation expense and impairment charges and a net cash inflow of $2.3 million related to changes in operating assets and liabilities. Net cash provided by operating activities of $299.6 million for the six months ended June 30, 2017 related to net income of $192.1 million, adjusted for non-cash items of $104.0 million primarily related to intangible asset amortization and share-based compensation expense and a net cash inflow of $3.6 million related to changes in operating assets and liabilities.

Net cash used in investing activities for the six months ended June 30, 2018 primarily related to the net acquisition of investments of $115.0 million, acquisition of intangible assets of $111.1 million related to the purchase of a PRV and purchases

of property and equipment of $11.3 million. Net cash used in investing activities for the six months ended June 30, 2017 primarily related to the net acquisition of investments of $20.0 million and purchases of property and equipment of $11.7 million.

Net cash used in financing activities for the six months ended June 30, 2018 primarily related to repurchase of ordinary shares under our share repurchase program of $55.6 million, payment of employee withholding taxes of $16.0 million related to share-based awards, repayment of our term loan principal of $9.0 million and payment of debt modification costs of $6.4 million, partially offset by proceeds from employee equity incentive and purchase plans of $67.1 million and proceeds from tenant improvement allowance on a build-to-suit lease of $1.3 million. Net cash used in financing activities for the six months ended June 30, 2017 primarily related to repayment of borrowings under our prior revolving credit facility of $350.0 million, repurchase of ordinary shares under our share repurchase program of $30.9 million, repayment of our term loan principal of $18.0 million and payment of employee withholding taxes of $16.3 million related to share-based awards, partially offset by proceeds from employee equity incentive and purchase plans of $19.1 million.

Debt

The summary of our outstanding indebtedness under our financing arrangements is included in Note 8, Debt, of the Notes to Condensed Consolidated Financial Statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q. As of June 30, 2018, no amounts were outstanding under our revolving credit facility. During the six months ended June 30, 2018, there were no material changes to our Exchangeable Senior Notes as set forth in Note 11, Debt, of the Notes to Consolidated Financial Statements included in our Annual Report on Form 10-K for the year ended December 31, 2017. In June 2018, we entered into a second amendment of our 2015 credit agreement, which increased our revolving credit facility from $1.25 billion to $1.60 billion, extended the maturity dates of our term loan facility and revolving credit facility from July 12, 2021 to June 7, 2023 and reduced the applicable margin for determining the interest rates on outstanding borrowings under the facilities. For more information, see Note 8, Debt, of the Notes to Condensed Consolidated Financial Statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q.

Contractual Obligations

The table below presents a summary of our contractual obligations as of June 30, 2018 (in thousands):

	Payments Due by Period				
Contractual Obligations (1)	**Total**	**Less than 1 Year**	**1-3 Years**	**3-5 Years**	**More than 5 years**
Term loan - principal	$ 667,734	$ 33,387	$ 66,773	$ 567,574	$ —
Term loan - interest (2)	99,020	22,292	41,234	35,494	—
Exchangeable Senior Notes - principal	1,150,000	—	—	575,000	575,000
Exchangeable Senior Notes - interest (3)	93,798	19,406	38,813	22,641	12,938
Revolving credit facility - commitment fee (4)	20,022	4,056	8,122	7,844	—
Commitment to equity method investees	23,200	8,650	14,000	550	—
Purchase and other obligations (5)	152,260	62,640	35,782	37,168	16,670
Operating lease obligations (6)	40,504	8,551	11,704	9,885	10,364
Facility lease obligations (7)	192,363	7,256	28,897	30,657	125,553
Total	$ 2,438,901	$ 166,238	$ 245,325	$ 1,286,813	$ 740,525

(1) This table does not include potential future milestone payment or royalty obligations to third parties under asset purchase, product development, license and other agreements as the timing and likelihood of such milestone payments are not known, and, in the case of royalty obligations, as the amount of such obligations are not estimable. In 2014, we signed a definitive agreement with Aerial BioPharma LLC, or Aerial, under which we acquired worldwide development, manufacturing and commercial rights to solriamfetol (other than in certain jurisdictions in Asia where SK Biopharmaceuticals Co., Ltd, or SK, retains rights). Aerial and SK are currently eligible to receive milestone payments up to an aggregate of $259 million based on development, regulatory and sales milestones and tiered royalties from high single digits to mid-teens based on potential future sales of solriamfetol. In July 2016, we entered into an agreement with Pfenex that granted us worldwide rights to develop and commercialize multiple early-stage hematology product candidates and an option for us to negotiate a license for a recombinant pegaspargase product candidate with Pfenex. This agreement was amended in December 2017. Under the amended agreement, Pfenex received upfront, option and development milestone payments totaling $35.3 million and may be eligible to receive additional payments of up to $189 million based on the achievement of development, regulatory and sales milestones. Potential future

milestone payments to other third parties under other agreements could be up to an aggregate of $327 million, of which up to $120 million will become due and payable to Perrigo Company plc (formerly Elan Pharmaceuticals, Inc.) in tiered contingent payments, with the first such payment becoming due if net sales of Prialt of at least $75 million are achieved in a calendar year. The remainder would become due and payable to other third parties upon the achievement of certain developmental, clinical, regulatory and/or commercial milestones, the timing and likelihood of which are not known. We are also obligated under these agreements to pay royalties on net sales of certain products at specified rates, which royalties are dependent on future product sales and are not provided for in the table above as they are not estimable.

(2) Estimated interest for variable rate debt was calculated based on the interest rates in effect as of June 30, 2018. The interest rate for our term loan borrowing was 3.47% as of June 30, 2018. Interest that is fixed, associated with our interest rate swaps, is calculated based on the fixed interest swap rate as of June 30, 2018.

(3) We used the fixed interest rates of 1.875% on the 2021 Notes and 1.50% on the 2024 Notes to estimate interest owed as of June 30, 2018 until the respective final maturity dates of these notes.

(4) Our revolving credit facility has a commitment fee payable on the undrawn amount ranging from 0.25% to 0.35% per annum based upon our secured leverage ratio. In the table above, we used a rate of 0.25% and assumed undrawn amounts of $1.6 billion as of June 30, 2018 to estimate commitment fees owed.

(5) Consists primarily of non-cancelable commitments to ImmunoGen under our collaboration and option agreement and to third party manufacturers.

(6) Consists primarily of the minimum lease payments for our office buildings and automobile lease payments for our sales force. Operating expenses associated with our leased office buildings are not included in table above.

(7) This includes a lease agreement we entered into in January 2015 to lease office space located in Palo Alto, California in a building subsequently constructed by the landlord, which we occupied beginning in October 2017, and a lease agreement we entered into in September 2017 to lease additional office space located in Palo Alto, California in a second building to be constructed by the same landlord, which we expect to occupy by the end of 2019. Not included in the table above are our estimated costs of approximately $19 million associated with the design, development and construction of tenant improvements under the lease agreement entered into in September 2017, which estimate does not include a tenant improvement allowance to be provided by the landlord.

We do not provide for Irish income taxes on undistributed earnings of our foreign operations that are intended to be indefinitely reinvested in our foreign subsidiaries. In addition, our liability for unrecognized tax benefits has been excluded from the above contractual obligations table as the nature and timing of future payments, if any, cannot be reasonably estimated. We do not anticipate that the amount of our existing liability for unrecognized tax benefits will significantly change in the next twelve months.

Critical Accounting Estimates

To understand our financial statements, it is important to understand our critical accounting estimates. The preparation of our financial statements in conformity with U.S. generally accepted accounting principles, or U.S. GAAP, requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates and assumptions are required in determining the amounts to be deducted from gross revenues, in particular estimates of government rebates, which include Medicaid and TRICARE rebates, and estimated product returns. Significant estimates and assumptions are also required to determine whether to capitalize intangible assets, the amortization periods for identifiable intangible assets, the potential impairment of goodwill and other intangible assets, income taxes and share-based compensation. Some of these judgments can be subjective and complex, and, consequently, actual results may differ from these estimates. For any given individual estimate or assumption we make, there may also be other estimates or assumptions that are reasonable. Although we believe our estimates and assumptions are reasonable, they are based upon information available at the time the estimates and assumptions were made.

Our critical accounting policies and significant estimates are detailed in our Annual Report on Form 10-K for the year ended December 31, 2017. Except for the revenue recognition policy that was updated as a result of adopting ASU No. 2014-09, “Revenue from Contracts with Customers” our critical accounting policies and significant estimates have not changed substantially from those previously disclosed in our Annual Report on Form 10-K for the year ended December 31, 2017.

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements.

Cautionary Note Regarding Forward-Looking Statements

This Quarterly Report on Form 10-Q contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, which are subject to the "safe harbor" created by those sections. Forward-looking statements are based on our management's current plans, objectives, estimates, expectations and intentions and on information currently available to our management. In some cases, you can identify forward-looking statements by terms such as "may," "will," "should," "could," "would," "expect," "plan," "anticipate," "believe," "estimate," "project," "predict," "propose," "intend," "continue," "potential," "possible," "foreseeable," "likely," "unforeseen" and similar expressions intended to identify forward-looking statements. These statements involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance, time frames or achievements to be materially different from any future results, performance, time frames or achievements expressed or implied by the forward-looking statements. We discuss many of these risks, uncertainties and other risk factors in greater detail under Part II, Item 1A of this Quarterly Report on Form 10-Q. Given these risks, uncertainties and other factors, you should not place undue reliance on these forward-looking statements. Also, these forward-looking statements represent our plans, objectives, estimates, expectations and intentions only as of the date of this filing. You should read this Quarterly Report on Form 10-Q completely and with the understanding that our actual future results and the timing of events may be materially different from what we expect. We hereby qualify our forward-looking statements by our cautionary statements. Except as required by law, we undertake no obligation to update or supplement any forward-looking statements publicly, or to update or supplement the reasons that actual results could differ materially from those anticipated in these forward-looking statements, even if new information becomes available in the future.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

During the three and six months ended June 30, 2018, there were no material changes to our market risk disclosures as set forth in Part II, Item 7A "Quantitative and Qualitative Disclosures About Market Risk" in our Annual Report on Form 10-K for the year ended December 31, 2017.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures. We have carried out an evaluation under the supervision and with the participation of management, including our principal executive officer and principal financial officer, of our disclosure controls and procedures (as defined in Rule 13a-15(e) of the Securities Exchange Act of 1934, as amended) as of the end of the period covered by this Quarterly Report on Form 10-Q. Based on their evaluation, our principal executive officer and principal financial officer concluded that our disclosure controls and procedures were effective as of June 30, 2018.

Limitations on the Effectiveness of Controls. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Because of inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues, if any, within an organization have been detected. Accordingly, our disclosure controls and procedures are designed to provide reasonable, not absolute, assurance that the objectives of our disclosure control system are met and, as set forth above, our principal executive officer and principal financial officer have concluded, based on their evaluation as of the end of the period covered by this report, that our disclosure controls and procedures were effective to provide reasonable assurance that the objectives of our disclosure control system were met.

Changes in Internal Control over Financial Reporting. During the quarter ended June 30, 2018, there have been no changes to our internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II – OTHER INFORMATION

Item 1. Legal Proceedings

The information required to be set forth under this Item 1 is incorporated by reference to Note 9, Commitments and Contingencies—Legal Proceedings of the Notes to Condensed Consolidated Financial Statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q.

Item 1A. Risk Factors

We have identified the following risks and uncertainties that may have a material adverse effect on our business, financial condition or results of operations. The risks described below are not the only ones we face. Additional risks not presently known to us or that we currently believe are immaterial may also significantly impair our business operations. Our business could be harmed by any of these risks. The trading price of our ordinary shares could decline due to any of these risks, and you may lose all or part of your investment. In assessing these risks, you should also refer to the other information contained in this Quarterly Report on Form 10-Q, including our condensed consolidated financial statements and accompanying notes.

Risks Related to Xyrem and the Significant Impact of Xyrem Sales

Xyrem is our largest selling product, and our inability to maintain or increase sales of Xyrem would have a material adverse effect on our business, financial condition, results of operations and growth prospects.

Xyrem is our largest selling product, and our financial results are significantly influenced by sales of Xyrem, which accounted for 72% of our net product sales for the three and six months ended June 30, 2018 and 74% of our net product sales for the year ended December 31, 2017. Our future plans assume that sales of Xyrem will increase, but we cannot assure you that we can maintain sales of Xyrem at or near current levels, or that Xyrem sales will continue to grow. We have periodically increased the price of Xyrem, most recently in January 2018, and we cannot assure you that price adjustments we have taken or may take in the future will not negatively affect Xyrem sales volumes.

In addition to other risks described herein, our ability to maintain or increase Xyrem product sales is subject to a number of risks and uncertainties, the most important of which are discussed in more detail below, including those related to:

- the potential U.S. introduction of a generic version of Xyrem before the entry dates specified in our settlements with certain abbreviated new drug application, or ANDA, filers or on terms that are different from those contemplated by the settlement agreements, as further described below;
- the potential U.S. introduction of new products that compete with, or otherwise disrupt the market for, Xyrem in the treatment of cataplexy and/or excessive daytime sleepiness, or EDS, in narcolepsy;
- changes to or uncertainties around regulatory restrictions, including, among other things, changes to our Xyrem risk evaluation and mitigation strategy, or REMS, as further described below;
- challenges and potential challenges to our intellectual property around Xyrem, including uncertainty in ongoing ANDA litigation or the possibility of new ANDA filers and challenges;
- any increase in pricing pressure from, changes in policies by, or restrictions on reimbursement imposed by, third party payors;
- changes in healthcare laws and policy, including changes in requirements for patient assistance programs, rebates, reimbursement and coverage by federal healthcare programs, and changes resulting from increased scrutiny on pharmaceutical pricing and REMS programs by government entities;
- operational disruptions at the Xyrem central pharmacy or any failure to comply with our REMS obligations to the satisfaction of the U.S. Food and Drug Administration, or FDA;
- any supply or manufacturing problems, including any problems with our sole source Xyrem active pharmaceutical ingredient, or API, provider;
- continued acceptance of Xyrem by physicians and patients, including as a result of negative publicity that surfaces from time to time;
- changes to our label, including new safety warnings or changes to our boxed warning, that further restrict how we market and sell Xyrem; and
- our U.S.-based API and Xyrem suppliers' ability to obtain sufficient quotas from the U.S. Drug Enforcement Administration, or DEA, to satisfy our needs for Xyrem.

These and the other risks described below related to Xyrem product sales and protection of our proprietary rights could have a material adverse effect on our ability to maintain or increase sales of Xyrem.

If sales of Xyrem were to decline significantly, we might need to reduce our operating expenses or seek to raise additional funds, which would have a material adverse effect on our business, financial condition, results of operations and growth prospects, or we might not be able to acquire, in-license or develop new products in the future to grow our business.

The launch of a generic version of Xyrem or other sodium oxybate products that compete with Xyrem would adversely affect sales of Xyrem.

Although Xyrem is protected by patents covering its manufacture, formulation, distribution system and method of use, nine companies have filed ANDAs with the FDA seeking approval to market a generic version of Xyrem. We filed patent lawsuits against each of the nine ANDA filers in the federal district court of New Jersey, or District Court, asserting that such generic products would violate our patents covering Xyrem. We do not know whether additional ANDAs have been or will be filed.

We have settled lawsuits against eight of the nine ANDA filers. In April 2017, we settled all lawsuits against the first filer, West-Ward Pharmaceuticals Corp. (a wholly owned subsidiary of Hikma Pharmaceuticals PLC), or West-Ward, granting West-Ward the right to sell an authorized generic version of Xyrem, or AG Product, beginning on January 1, 2023, or earlier under certain circumstances, including circumstances related to the licensing or market entry of another generic sodium oxybate product, a final decision that all unexpired claims of the Xyrem patents are invalid and/or unenforceable, or a substantial reduction in Xyrem net sales over specified periods of time. We also granted West-Ward a license to launch its own generic sodium oxybate product as early as six months after it has the right to sell the AG Product, unless it elects to continue to sell the AG Product, which it may do for up to a total of five years. In January 2018 and June 2018, we settled all litigation with Par Pharmaceutical, Inc., or Par, and Lupin Inc., or Lupin, respectively, granting each of them the right to sell a limited volume of AG Product beginning on July 1, 2023, or earlier under certain circumstances, including acceleration of the West-Ward AG Product launch date. We also granted each of Par and Lupin a license to launch its own generic sodium oxybate product on or after December 31, 2025, or earlier under certain circumstances, including circumstances related to launch of a generic sodium oxybate product by West-Ward or another company under its ANDA. We have also settled all lawsuits with five of the other ANDA filers, granting each of them a license to launch its own generic sodium oxybate product on or after December 31, 2025, or earlier under certain circumstances, including the launch by West-Ward or another party of a generic sodium oxybate product under its ANDA. In accordance with legal requirements, we have submitted our Xyrem settlement agreements to the U.S. Federal Trade Commission, or FTC, and the U.S. Department of Justice, or DOJ, for review.

The patent lawsuit against the sole remaining non-settling ANDA filer remains pending in the District Court. Although no trial date has been set, discovery is scheduled to conclude in the fourth quarter of 2018, and the trial in this case could occur as early as the first quarter of 2019. For further description of these settlements and legal proceedings, see Note 9, Commitments and Contingencies—Legal Proceedings of the Notes to Condensed Consolidated Financial Statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q and "Management's Discussion and Analysis of Financial Condition and Results of Operations—Challenges, Risks and Trends Related to Our Lead Marketed Products and Product Candidates Submitted for Regulatory Approval" included in Part I, Item 2 of this Quarterly Report on Form 10-Q. We cannot predict the timing or outcome of the ANDA litigation proceedings against the remaining non-settling ANDA filer.

Certain ANDA filers filed petitions for inter partes review, or IPR, by the Patent Trial and Appeal Board, or PTAB, of the U.S. Patent and Trademark Office, or USPTO, with respect to the validity of certain distribution, method of use and formulation patents covering Xyrem. The PTAB instituted IPR trials with respect to certain of these petitions. In July 2016, the PTAB issued final decisions that the claims of six patents associated with the Xyrem REMS, or REMS patents, are unpatentable. In March 2016, the PTAB partially instituted an IPR on three claims of a seventh REMS patent, declining to review 25 of 28 claims, and, in March 2017, the PTAB issued a final decision that the three claims they reviewed are unpatentable. In July 2018, the United States Court of Appeals for the Federal Circuit, or the Federal Circuit, upheld the July 2016 and March 2017 PTAB decisions on appeal, and as a result, we will not be able to enforce claims the PTAB found unpatentable. For further description of these legal proceedings, see Note 9, Commitments and Contingencies—Legal Proceedings of the Notes to Condensed Consolidated Financial Statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q. We cannot predict whether additional post-grant patent review challenges will be filed by any of the ANDA filers or any other entity, the outcome of any future IPR or other proceeding or the impact any IPR or other proceeding might have on ongoing ANDA litigation proceedings or other aspects of our Xyrem business.

In January 2017, the FDA approved West-Ward's ANDA for a generic sodium oxybate product. The FDA's letter approving West-Ward's ANDA notes that, as the first ANDA applicant, West-Ward is eligible for 180 days of generic drug exclusivity. West-Ward's ANDA approval also includes a waiver that permits West-Ward to use a separate REMS program from the Xyrem REMS on the condition that the REMS approved with West-Ward's ANDA, or the generic sodium oxybate REMS, be open to all future sponsors of ANDAs or new drug applications, or NDAs, for sodium oxybate products. In January 2017, the FDA tentatively approved two additional ANDAs for generic sodium oxybate products, and we believe that it is likely that the FDA will approve or tentatively approve additional ANDAs.

The actual timing of any commercial launch of an AG Product or a generic sodium oxybate product is uncertain. For example, to the extent that a non-settling ANDA filer continues to litigate our Xyrem patents and obtains a final judicial decision prior to January 1, 2023 that all unexpired claims of the Xyrem patents are invalid and/or unenforceable, any party who has obtained or maintains FDA approval for its generic product and is able to distribute its product through an approved sodium oxybate REMS could potentially enter the market with a generic sodium oxybate product, subject in some cases to West-Ward's right to 180-day exclusivity. West-Ward's AG Product launch date would be accelerated to approximately the date of that final judicial decision, which would also accelerate the permitted launch of Par and Lupin's AG Products and could accelerate the launch of other generic sodium oxybate products.

Moreover, subject in some cases to West-Ward's 180-day exclusivity, a non-settling ANDA filer that obtains or maintains FDA approval for its generic sodium oxybate product and is able to distribute its product through an approved generic sodium oxybate REMS could also launch its generic product in the absence of a final decision that all unexpired claims of the Xyrem patents are invalid and/or unenforceable. Circumstances that could result in such a launch include, for example, a judicial determination that the introduction of such filer's generic product does not infringe our patents; a judicial determination that Xyrem patents are valid and infringed but that an injunction is not warranted; or a decision by a non-settling ANDA filer, before applicable ongoing patent litigation is concluded, to launch a generic product at risk of being held liable for damages for patent infringement. It is also possible that we could enter into a settlement agreement with an ANDA filer that would permit such filer to enter the market on or prior to the launch date(s) agreed with West-Ward. In the event of any such launch by a non-settling ANDA filer, except in limited circumstances related to an "at risk" launch, the launch date for West-Ward's AG Product would be accelerated to a date on or prior to the date of such entry, which could lead to acceleration of the other settling ANDA filers' launch dates as described above.

Another circumstance that could trigger acceleration of West-Ward's launch date for an AG Product, which would also lead to acceleration of Par and Lupin's launch date for their AG Products and ultimately could lead to acceleration of the other settling ANDA filers' launch dates for their generic sodium oxybate products, is a substantial reduction in Xyrem net sales. Such a reduction could occur under various circumstances, including if we introduce, or a third party introduces, a product to treat EDS or cataplexy in narcolepsy that substantially erodes Xyrem net sales prior to January 1, 2023.

Other companies could also develop and launch sodium oxybate or other products that are similar, but not identical, to Xyrem, such as an alternative formulation or a different delivery technology, and seek approval in the U.S. through an NDA approval pathway under Section 505(b)(2) of the Federal Food, Drug and Cosmetic Act, or FDCA, by referencing Xyrem and relying, to some degree, on the FDA's approval of Xyrem and related determinations of safety and efficacy. Avadel Pharmaceuticals plc, or Avadel, a company that is using its proprietary technology for delivery of a sodium oxybate formulation to eliminate second nighttime dosing for narcolepsy patients, has stated that it is conducting a Phase 3 pivotal trial pursuant to an FDA-approved special protocol assessment, and has indicated that it intends to seek approval of its product candidate using a Section 505(b)(2) NDA approval pathway referencing Xyrem.

We are also aware of products being developed by others for use as treatment options in cataplexy and/or EDS in patients with narcolepsy that have different safety profiles and mechanisms of action than Xyrem, including a product to treat adult patients with narcolepsy with or without cataplexy that received marketing approval in Europe in 2016. While this product is currently not approved by the FDA for marketing in the U.S., the company that has exclusive U.S. commercialization rights to this product recently established an expanded access program for the product and has announced that it has received Breakthrough Therapy and Fast Track designations from the FDA for its investigational product. The receipt of marketing approval and commercialization of this product, Avadel's product or other products that may be approved in the U.S. for the treatment of narcolepsy patients could, depending on the targeted patient population, reduce Xyrem sales, which could have the additional effect of potentially triggering acceleration of market entry of AG Products or other generic sodium oxybate products under our ANDA litigation settlement agreements, as described above and elsewhere in this Quarterly Report on Form 10-Q.

After any introduction of a generic product, whether or not it is an AG Product, a significant percentage of the prescriptions written for Xyrem may be filled with the generic product. Certain U.S. state laws allow for, and in some instances in the absence of specific instructions from the prescribing physician mandate, the dispensing of generic products rather than branded products where a generic version is available. This would result in reduction in sales of, and revenue from, Xyrem, although we would continue to receive royalty and other revenue based on sales of an AG Product in accordance with the terms of our settlement agreements. Any ANDA holder launching any AG Product or another generic sodium oxybate product will establish the price of the AG Product and/or its own generic sodium oxybate product. However, generic competition often results in decreases in the prices at which branded products can be sold, particularly when there is more than one generic product available.

We expect that the launch of any generic sodium oxybate product, including any AG Product, or the approval and launch of other products that compete with Xyrem, would be likely to have a material adverse effect on our sales of Xyrem and on our business, financial condition, results of operations and growth prospects.

For further discussion regarding legal proceedings and settlement agreements related to Xyrem, the risks associated with our ANDA settlement agreements, the approval and tentative approval of ANDAs, the potential launch of AG Products or other generic versions of Xyrem, or the approval and launch of other sodium oxybate or other products that compete with Xyrem, as well as other risks and challenges we face with respect to Xyrem, see "Management's Discussion and Analysis of Financial Condition and Results of Operations—Challenges, Risks and Trends Related to Our Lead Marketed Products and Product Candidates Submitted for Regulatory Approval" included in Part I, Item 2 of this Quarterly Report on Form 10-Q, the risk factors under the headings "Risks Related to Xyrem and the Significant Impact of Xyrem Sales," "Risks Related to Our Intellectual Property," and "*We face substantial competition from other companies, including companies with greater resources, including larger sales organizations and more experience working with large and diverse product portfolios, than we have*" in this Part II, Item 1A, and Note 9, Commitments and Contingencies—Legal Proceedings of the Notes to Condensed Consolidated Financial Statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q.

The distribution and sale of Xyrem are subject to significant regulatory oversight and restrictions and the requirements of a risk evaluation and mitigation strategy, and these restrictions and requirements, as well as the potential impact of changes to these restrictions and requirements, subject us to increased risks and uncertainties, any of which could negatively impact sales of Xyrem.

The FDA requires that we maintain a REMS for Xyrem to help ensure the safe distribution of Xyrem and minimize the risk of misuse, abuse and diversion of sodium oxybate. In February 2015, the FDA approved the current Xyrem REMS, which requires, among other things, that Xyrem be distributed through a single pharmacy. In the FDA's letter approving the Xyrem REMS, the FDA stated that (i) the approval action should not be construed or understood as agreement with what the FDA stated was our position that dispensing through a single pharmacy is the only way to ensure that the benefits of Xyrem outweigh its risks, and that the FDA has continuing concerns that limiting the distribution of Xyrem to one pharmacy imposes burdens on patient access and the healthcare delivery system, and (ii) as with all REMS, the FDA intends to evaluate the Xyrem REMS on an ongoing basis and will require modifications as may be appropriate. We cannot predict whether the FDA will request, seek to require or ultimately require modifications to, or impose additional requirements on, the Xyrem REMS, including in connection with the submission of applications for new oxybate indications or products, or whether FDA will permit modifications to the Xyrem REMS that we consider warranted in connection with the submission of applications for new oxybate indications or products. Any modifications required or rejected by the FDA could make it more difficult or expensive for us to distribute Xyrem, make distribution easier for sodium oxybate competitors, impair the safety profile of Xyrem, disrupt continuity of care for Xyrem patients and/or negatively affect sales of Xyrem.

In August 2015, we implemented the current Xyrem REMS, and we have submitted and expect to continue to submit ongoing assessments as set forth in the FDA's Xyrem REMS approval letter. However, we cannot guarantee that our implementation and ongoing assessments will be satisfactory to the FDA or that the Xyrem REMS will satisfy the FDA's expectations in its evaluation of the Xyrem REMS on an ongoing basis. Any failure to comply with the REMS obligations could result in enforcement action by the FDA; lead to changes in our Xyrem REMS obligations; negatively affect sales of Xyrem; result in additional costs and expenses for us; and/or take a significant amount of time, any of which could materially and adversely affect our business, financial condition, results of operations and growth prospects.

While we have an exclusive agreement with Express Scripts Specialty Distribution Services, Inc., the central pharmacy for Xyrem, through June 2019 (subject to a one-year extension at Jazz's discretion unless either party provides 180 days' notice to the other of its intent to terminate the agreement), if the central pharmacy does not fulfill its contractual obligations to us, fails to meet the requirements of the Xyrem REMS applicable to the central pharmacy, provides timely notice that it wants to terminate our agreement, refuses or fails to adequately serve patients, or fails to promptly and adequately address operational challenges, whether expected or unexpected, the fulfillment of Xyrem prescriptions and our sales would be adversely affected. If we change to a new central pharmacy, new contracts might be required with government and other insurers who pay for Xyrem, and the terms of any new contracts could be less favorable to us than current agreements. In addition, any new central pharmacy would need to be registered with the DEA and certified and would also need to implement the particular processes, procedures and activities necessary to distribute Xyrem under the Xyrem REMS. Transitioning to a new pharmacy could result in product shortages, which would negatively affect sales of Xyrem, result in additional costs and expenses for us and/or take a significant amount of time, any of which could materially and adversely affect our business, financial condition, results of operations and growth prospects.

Section 505-1(i)(1) of the FDCA generally provides that (i) an ANDA that references a drug subject to a REMS with elements to assure safe use, or ETASU, is required to have a REMS with the same elements as the reference listed drug, or RLD, and (ii) the ANDA drug and the RLD shall use a single shared system to assure safe use. However, the FDA may waive this requirement for a single shared system and approve an ANDA with a separate REMS with differing but comparable aspects of ETASU under certain circumstances. These requirements do not apply to an application submitted under Section 505(b)(2) of the FDCA, even if that application references a drug subject to a REMS with ETASU.

In January 2017, the FDA announced approval of the West-Ward ANDA and waived the shared REMS requirement. The FDA's waiver of the shared REMS requirement permits West-Ward to use a separate REMS program from the Xyrem REMS, or the generic sodium oxybate REMS, on the condition that the generic sodium oxybate REMS be open to all future sponsors of ANDAs or NDAs for sodium oxybate products. This could potentially include future sodium oxybate products approved under Section 505(b)(2). We cannot predict whether a company marketing a sodium oxybate product approved under Section 505(b)(2) would be required or permitted to distribute its product through the generic sodium oxybate REMS or a separate REMS. In connection with the waiver, FDA issued a statement that it considers the generic sodium oxybate REMS to have the same ETASU as the Xyrem REMS and operationalizes those elements in a comparable manner to achieve the same level of safety as the Xyrem REMS. We were not involved in development of the generic sodium oxybate REMS and were not consulted regarding any features of this REMS. A sodium oxybate distribution system that is less restrictive than the Xyrem REMS, such as the generic sodium oxybate REMS, which provides that generic sodium oxybate products could be distributed through multiple pharmacies, could increase the risks associated with sodium oxybate distribution. Any negative outcomes, including risks to the public, caused by or otherwise related to a separate sodium oxybate REMS, could have a significant negative impact in terms of product liability, public acceptance of Xyrem as a treatment for EDS and cataplexy in narcolepsy, and prescribers' willingness to prescribe, and patients' willingness to take, Xyrem, as patients, consumers and others may not differentiate generic sodium oxybate from Xyrem or differentiate between the different REMS programs, any of which could have a material adverse effect on our Xyrem business.

We may face pressure to modify the Xyrem REMS or to license or share intellectual property pertinent to the Xyrem REMS, including proprietary data required for the safe distribution of sodium oxybate, in connection with the FDA's approval of the generic sodium oxybate REMS or otherwise. Our settlement agreements with certain of the ANDA filers do not directly impact the FDA's waiver of the single shared system REMS requirement, any other ANDA filer's ability to develop and implement the generic sodium oxybate REMS for its generic sodium oxybate product or our ability to take any action with respect to the generic sodium oxybate REMS. We cannot predict the outcome or impact on our business of any future action that we may take with respect to the FDA's waiver of the single shared system REMS requirement, its approval and tentative approval of generic versions of Xyrem or the consequences of distribution of sodium oxybate through the generic sodium oxybate REMS approved by the FDA or another separate REMS.

In September 2016, Jazz Pharmaceuticals, Inc., our wholly owned subsidiary, submitted a Citizen Petition to the FDA requesting that, for safety reasons, the FDA refuse to approve any sodium oxybate ANDA with a proposed package insert or REMS that omits the portions of the Xyrem package insert and the Xyrem REMS that instruct prescribers on adjusting the dose of the product when it is co-administered with divalproex sodium (also known as valproate or valproic acid). In January 2017, the FDA granted the Citizen Petition with respect to the Xyrem package insert. The FDA concluded that it will not approve any sodium oxybate ANDA referencing Xyrem that does not include in its package insert the portions of the currently approved Xyrem package insert related to the drug-drug interaction, or DDI, with divalproex sodium. Our Xyrem DDI patents cover these instructions on the Xyrem package insert and Xyrem REMS. We cannot predict whether a non-settling ANDA filer, or a company that files a Section 505(b)(2) application for a drug referencing Xyrem, may pursue regulatory strategies to avoid infringing our method of administration patents notwithstanding the FDA's response to the Citizen Petition, or whether any such strategy would be successful. Likewise, we cannot predict whether we will be able to maintain the validity of any of our patents or will otherwise obtain a judicial determination that a generic or other sodium oxybate product, its package insert or the generic sodium oxybate REMS or another separate REMS will infringe any of our patents or, if we prevail in proving infringement, whether a court will grant an injunction that prevents a non-settling ANDA filer or other company introducing a different sodium oxybate product from marketing its product, or instead require that party to pay damages in the form of lost profits or a reasonable royalty.

For further discussion regarding these matters, see the risk factors under the headings "*The launch of a generic version of Xyrem or other sodium oxybate products that compete with Xyrem would adversely affect sales of Xyrem*" and "Risks Related to Our Intellectual Property" in this Part II, Item 1A.

REMS and the improper use of REMS as a means of improperly blocking or delaying competition for branded pharmaceutical products have increasingly drawn public scrutiny from Congress, the FTC and the FDA. Congress, for example, has introduced proposed legislation aimed at preventing companies from using REMS and other restricted distribution programs as a means to deny potential competitors access to product samples needed for bioequivalence testing. The FDA has stated that it will seek to coordinate with the FTC in identifying and publicizing practices the FTC finds to be anticompetitive and has further stated that the FDA has concerns related to the role of REMS programs in delaying approval of generic products. It is possible that the FTC, the FDA, other governmental authorities or other third parties could claim that, or launch an investigation into whether, we are using the Xyrem REMS in an anticompetitive manner (including in light of the FDA's statement in the Xyrem REMS approval letter that the Xyrem REMS could be used in an anticompetitive manner inconsistent with applicable provisions of the FDCA) or have engaged in other anticompetitive practices. The FDCA further states that a REMS ETASU shall not be used by an NDA holder to block or delay generic drugs or drugs covered by an application under Section 505(b)(2) from entering the market. Several of the ANDA applicants have asserted that our REMS

patents should not have been listed in the FDA's publication "Approved Drug Products with Therapeutic Equivalence Evaluations," or the Orange Book, and that the Xyrem REMS is blocking competition. We cannot predict the outcome of any potential government investigation of these claims or the impact of any similar claims that may be made in the future.

The FDA has required that Xyrem's labeling include a boxed warning regarding the risk of central nervous system depression and misuse and abuse. A boxed warning is the strongest type of warning that the FDA can require for a drug product and warns prescribers that the drug carries a significant risk of serious or even life-threatening adverse effects. A boxed warning also means, among other things, that the product cannot be advertised through reminder ads, or ads that mention the pharmaceutical brand name but not the indication or medical condition it treats. Our Xyrem REMS includes unique features that provide more extensive information about adverse events, including deaths, than is generally available for other products that are not subject to similar REMS requirements. As required by the FDA and other regulatory agencies, the adverse event information that we collect for Xyrem is regularly reported to the FDA and could result in the FDA requiring changes to Xyrem labeling, including additional warnings or boxed warnings, or requiring us to take other actions that could have an adverse effect on patient and prescriber acceptance of Xyrem.

Any failure to demonstrate our substantial compliance with applicable regulatory requirements to the satisfaction of the FDA or any other regulatory authority could result in such regulatory authorities taking actions in the future, which could have a material adverse effect on Xyrem sales and therefore on our business, financial condition, results of operations and growth prospects. For more information, see the risk factor under the heading "*We are subject to significant ongoing regulatory obligations and oversight, which may result in significant additional expense and limit our ability to commercialize our products*" in this Part II, Item 1A.

Risks Related to Our Business

While Xyrem remains our largest product, our success also depends on our ability to effectively commercialize our other products and, in the case of our product candidates, our ability to obtain regulatory approval in the U.S. and Europe and, if approved, to successfully launch and commercialize those product candidates. Our inability to do so could have a material adverse effect on our business, financial condition, results of operations and growth prospects.

In addition to Xyrem, we are commercializing a portfolio of products, including our other lead marketed products, Erwinaze, Defitelio and Vyxeos, and we are making significant investments in solriamfetol and other product candidates that are currently not approved as marketed products in any jurisdiction.

Erwinaze

Erwinaze (called Erwinase in markets outside the U.S.), a biologic product, is used in conjunction with chemotherapy to treat patients with acute lymphoblastic leukemia, or ALL, with hypersensitivity to *E. coli*-derived asparaginase. Erwinaze was approved by the FDA under a biologics license application, or BLA, and was launched in the U.S. in November 2011. It is also being sold under marketing authorizations, named patient programs, temporary use authorizations or similar authorizations in multiple countries in Europe and elsewhere. Erwinaze is licensed from, and manufactured by, a single source, Porton Biopharma Limited, or PBL, a company that is wholly owned by the UK Department of Health and Social Care. Our agreement with PBL, including our license, expires in December 2020, subject to five-year extensions unless terminated by either party in writing by December 2018. We cannot predict whether the term of the agreement will be extended or, if extended, the terms of any such extension. If the agreement is terminated, we will lose our license to sell Erwinaze in any market after December 2020, except under specified terms for a post-termination transition period.

Our ability to successfully and sustainably grow sales of Erwinaze is subject to a number of challenges, including the limited population of patients with ALL and the incidence of hypersensitivity reactions to *E. coli*-derived asparaginase within that population and our need to apply for and receive marketing authorizations, through the European Union's, or EU's, mutual recognition procedure or otherwise in certain additional countries if we decide to launch promotional efforts in those countries. Another significant challenge to our ability to maintain current sales levels and to increase sales is our extremely limited inventory of Erwinaze, past and continuing supply disruptions and our need to minimize or avoid additional supply disruptions due to capacity constraints, production delays, quality or regulatory challenges and other manufacturing difficulties. See the discussion regarding Erwinaze supply issues in the risk factor under the heading "*The loss of our single source suppliers, delays or problems in the supply of our products for commercial sale or our product candidates for use in our clinical trials, or our or our suppliers' failure to comply with manufacturing regulations, could materially and adversely affect our business, financial condition, results of operations and growth prospects*" in this Part II, Item 1A.

We also face numerous other risks that may impact Erwinaze sales, including regulatory risks, the development of new asparaginase treatments or treatment protocols that could reduce the rate of hypersensitivity in patients with ALL, the development of new treatment protocols for ALL that may not include asparaginase-containing regimens, difficulties with

obtaining and maintaining favorable pricing and reimbursement arrangements, and potential competition from future biosimilar products. In addition, if we fail to comply with our obligations under our agreement with the licensor and supplier of Erwinaze or lose rights to Erwinaze, including if our agreement terminates at the end of its current term in December 2020, or if we otherwise fail to maintain or grow sales of Erwinaze, our growth prospects could be negatively affected.

Defitelio

We made a significant investment in Defitelio in 2014, adding the product to our portfolio as a result of our acquisition of Gentium S.r.l, which we refer to as the Gentium Acquisition, and then securing worldwide rights to the product by acquiring rights to defibrotide in the Americas in August 2014. We began to commercialize Defitelio in certain European countries in 2014. In March 2016, the FDA approved our NDA for Defitelio for the treatment of adult and pediatric patients with hepatic veno-occlusive disease, or VOD, also known as sinusoidal obstruction syndrome with renal or pulmonary dysfunction following hematopoietic stem cell transplantation, or HSCT. We launched Defitelio in the U.S. shortly after FDA approval.

Our ability to realize the anticipated benefits from this investment is subject to risks and uncertainties, including:

- the continued acceptance of Defitelio in the U.S. by hospital pharmacy and therapeutics committees and the continued availability of favorable pricing and adequate coverage and reimbursement by government programs and third party payors;
- the limited experience of, and need to educate, physicians in recognizing, diagnosing and treating VOD, particularly in adults;
- the possibility that physicians recognizing VOD symptoms may not initiate or may delay initiation of treatment while waiting for those symptoms to improve, or may terminate treatment before the end of the recommended dosing schedule;
- our ability to successfully maintain or grow sales of Defitelio in Europe and other non-U.S. countries;
- delays or problems in the supply or manufacture of the product;
- the limited size of the population of VOD patients who are indicated for treatment with Defitelio (particularly if changes in HSCT treatment protocols reduce the incidence of VOD diagnosis);
- our ability to meet the post-marketing commitments and requirements imposed by the FDA in connection with its approval of our NDA for Defitelio; and
- our ability to obtain marketing approval in other countries and to develop the product for additional indications.

The process of maintaining pricing and reimbursement approvals is complex and varies from country to country. Many European countries periodically review their reimbursement classes, which could have an adverse impact on the reimbursement status of Defitelio. We cannot predict the outcome of any periodic reviews required to maintain pricing and reimbursement approvals across Europe. In addition, orphan products that have a significant impact on patient survival, such as Defitelio, may be budgeted on a local rather than national level. The balance of all of these factors will determine our ability to maintain favorable pricing and reimbursement approvals in Europe. Furthermore, after initial pricing and reimbursement approvals, reductions in prices and changes in reimbursement levels can be triggered by multiple factors, including reference pricing systems and publication of discounts by third party payors or authorities in other countries. In the EU, prices can be reduced further by parallel distribution and parallel trade, or arbitrage between low-priced and high-priced countries. If any of these events occurs, our anticipated revenue from Defitelio in the EU would be negatively affected. If we are unable to maintain favorable pricing and reimbursement approvals in countries that represent significant markets, especially where a country's reimbursed price influences other countries, our anticipated revenue from and growth prospects for Defitelio in the EU could be negatively affected. In addition, our ability to commercialize Defitelio successfully in the U.S. will depend on, among other things, the continued availability of adequate coverage or reimbursement by U.S. government programs and third party payors.

The European Commission, or EC, granted marketing authorization to Defitelio under "exceptional circumstances" because it was not possible to obtain complete information about the product due to the rarity of the disease and because ethical considerations prevented conducting a study directly comparing Defitelio with best supportive care or a placebo. A marketing authorization granted under exceptional circumstances is subject to approval conditions and an annual reassessment of the risk-benefit balance by European Medicines Agency, or EMA. As a result, if we fail to meet the approval condition for Defitelio established by the EC, which requires that we set up a patient registry to investigate the long-term safety, health outcomes and patterns of utilization of Defitelio during normal use, or if it is determined that the balance of risks and benefits of using Defitelio changes materially, the EMA could vary, suspend or withdraw the marketing authorization for Defitelio. In addition, the FDA imposed several post-marketing commitments and requirements in connection with its approval of our NDA for Defitelio in March 2016, including the requirement that we conduct a clinical trial to analyze the safety of defibrotide versus best supportive care in the prevention of VOD in adult and pediatric patients. We may be unable to comply with these or other post-marketing obligations imposed as part of the marketing approvals for Defitelio. If we fail to meet any of these post-marketing obligations, our sales of and revenues from Defitelio could be materially adversely affected, and our future maintenance and potential growth of the market for this product may be limited.

The size of the population of VOD patients who are indicated for treatment with Defitelio is limited, and changes in HSCT treatment protocols could reduce the incidence of VOD diagnosis. Changes in treatment protocols that reduce the incidence of VOD diagnosis could adversely affect our anticipated revenues from Defitelio and our business, financial condition, results of operations and growth prospects.

We are also assessing the potential for approval of defibrotide in other countries and for development of defibrotide in additional indications. We cannot know when, if ever, defibrotide will be approved in any other country or under what circumstances, and what, if any, additional clinical or other development activities will be required in order to potentially obtain such regulatory approval and the cost associated with such required activities, if any. If we fail to obtain approval for defibrotide in other countries or for new indications, or if any future approvals we receive are for narrower indications than we expect, our anticipated revenue from defibrotide and our growth prospects would be negatively affected.

Because VOD is an ultra-rare disease, we have experienced inter-quarter variability in our Defitelio sales, and our Defitelio sales will be difficult to predict from period to period. As a result, Defitelio sales results or trends in any period are not necessarily indicative of future performance. If sales of Defitelio do not reach the levels we expect, our anticipated revenue from Defitelio would be negatively affected, which could have a material adverse effect on our business, financial condition, results of operations and growth prospects.

Vyxeos

We made a significant investment in Vyxeos through the acquisition of Celator Pharmaceuticals, Inc., which we refer to as the Celator Acquisition. Vyxeos is the first injectable fixed ratio, drug delivery combination oncology product based on our CombiPlex technology platform approved by the FDA and that we expect to be considered for approval by the EMA. In August 2017, the FDA approved our NDA for Vyxeos for the treatment of adults with newly-diagnosed therapy-related acute myeloid leukemia, or t-AML, or acute myeloid leukemia, or AML, with myelodysplasia-related changes, or AML-MRC. We launched and began shipping Vyxeos in the U.S. in August 2017, and our U.S. commercial launch is still at an early stage.

We submitted a marketing authorization application, or MAA, for Vyxeos in the EU for the treatment of t-AML or AML-MRC in the fourth quarter of 2017. Although the EMA's Committee for Medicinal Products for Human Use, or CHMP, issued a positive opinion recommending marketing authorization of Vyxeos, we cannot predict whether we will be able to obtain approval from the EC in the EU in a timely manner, or at all.

Our ability to realize the anticipated benefits from our investment in Vyxeos is subject to a number of additional risks and uncertainties, including:

- our ability to differentiate Vyxeos from other liposomal chemotherapies and generically available chemotherapy combinations with which physicians and treatment centers are more familiar;
- delays or problems in the supply or manufacture of the product, including the ability of the third parties upon which we rely to manufacture Vyxeos and its APIs to manufacture sufficient quantities in accordance with applicable specifications;
- the need to establish pricing and reimbursement support for Vyxeos in the U.S. and in other countries;
- the acceptance of Vyxeos in the U.S. and other countries by hospital pharmacy and therapeutics committees and the availability of adequate coverage and reimbursement by government programs and third party payors;
- the approval and use of new and novel compounds in AML that are only approved for use in combination with other agents and that have not been tested in combination with Vyxeos; and
- the limited size of the population of high-risk AML patients who may potentially be indicated for treatment with Vyxeos, particularly given the ongoing clinical trials by other companies with the same patient population.

Due to the lack of historical sales data from commercialization of Vyxeos, our Vyxeos sales will be difficult to predict from period to period. As a result, Vyxeos sales results or trends in any period may not necessarily be indicative of future performance. If sales of Vyxeos do not reach the levels we expect, or we are unable to obtain regulatory approval for Vyxeos in the EU in a timely manner, or at all, our anticipated revenue from the product will be negatively affected, which could have a material adverse effect on our business, financial condition, results of operations and growth prospects.

In addition, the FDA imposed two post-marketing requirements in connection with its approval of our NDA for Vyxeos, including the requirement that we conduct a safety study to characterize infusion-related reactions in patients treated with Vyxeos and a clinical trial to determine dosing to minimize toxicity in patients with moderate and severe renal impairment. In the event that we are unable to comply with these or other post-marketing obligations imposed as part of the marketing approval for Vyxeos, our sales of and revenues from Vyxeos could be materially adversely affected, and our future maintenance and potential growth of the market for this product may be limited.

If we fail to maintain or increase revenue from sales of Erwinaze, Defitelio and Vyxeos, our business, financial condition, results of operations and growth prospects could be materially adversely affected. In addition to the specific risks described

above, sales volumes and revenues from each of these products could be negatively affected by other risks and uncertainties described elsewhere in this Part II, Item 1A.

In addition, if we fail to obtain approvals for certain of our marketed products in new indications or formulations, we will be unable to commercialize our products in new indications or formulations, which could have a material adverse effect on our business, financial condition, results of operations and growth prospects.

Solriamfetol

In 2017, we announced positive efficacy results from our two Phase 3 clinical trials of solriamfetol, a late-stage investigational compound being developed for potential treatment of excessive sleepiness, or ES, in patients with obstructive sleep apnea, or OSA, and from our Phase 3 clinical trial of solriamfetol in patients with narcolepsy. We submitted an NDA to the FDA in the fourth quarter of 2017 to seek approval for solriamfetol in the treatment of ES associated with OSA and ES associated with narcolepsy. In the first quarter of 2018, the FDA accepted the NDA for filing with a standard review. The FDA has set a target action date under the Prescription Drug User Fee Act, or PDUFA, of December 20, 2018. We cannot predict whether our NDA will be approved by the FDA in a timely manner, or at all. Our ability to realize the anticipated benefits from an approved solriamfetol product is subject to a number of risks and uncertainties, including, among other things, the outcome of DEA scheduling review, which will need to be completed after NDA approval, if any, market acceptance for an approved solriamfetol product, potential competition and the availability of adequate pricing, coverage and reimbursement by government programs and third party payors, as well as other risks and uncertainties described elsewhere in this Part II, Item 1A.

Other Product Candidates

In furtherance of our growth strategy, we have made significant investments in a number of other product candidates, including ongoing development activities for two other product candidates in our sleep therapeutic area.

Any failure or delay in completing necessary clinical trials and conducting other activities, including chemistry, manufacturing and controls, or CMC, activities, that are required to complete our planned regulatory submissions and obtain regulatory approvals could materially and adversely affect our business, financial condition, results of operations and growth prospects. See the discussion under the heading "*Conducting clinical trials is costly and time-consuming, and the outcomes are uncertain. A failure to prove that our product candidates are safe and effective in clinical trials, or to generate data in clinical trials to support expansion of the therapeutic uses for our existing products, could materially and adversely affect our business, financial condition, results of operations and growth prospects*" in this Part II, Item 1A for a discussion of risks related to our clinical trials of solriamfetol and other product candidates. See also the discussions under the headings "*The loss of our single source suppliers, delays or problems in the supply of our products for commercial sale or our product candidates for use in our clinical trials, or our or our suppliers' failure to comply with manufacturing regulations, could materially and adversely affect our business, financial condition, results of operations and growth prospects"* and "*The regulatory approval process is expensive, time-consuming and uncertain and may prevent us or our partners from obtaining approvals for the commercialization of some or all of our product candidates"* in this Part II, Item 1A.

If we are unable to obtain regulatory approval for our product candidates in a timely manner, or at all, or if sales of an approved product do not reach the levels we expect, our anticipated revenue from our product candidates would be negatively affected, which could have a material adverse effect on our business, financial condition, results of operations and growth prospects.

The loss of our single source suppliers, delays or problems in the supply of our products for commercial sale or our product candidates for use in our clinical trials, or our or our suppliers' failure to comply with manufacturing regulations, could materially and adversely affect our business, financial condition, results of operations and growth prospects.

The manufacture of pharmaceutical products requires significant expertise and capital investment, including the development of process controls required to consistently produce the API and the finished product in sufficient quantities while meeting detailed product specifications on a repeated basis. We and our suppliers may encounter difficulties in production, including difficulties with production costs and yields, process controls, quality control and quality assurance, including testing of stability, impurities and impurity levels and other product specifications by validated test methods, and compliance with strictly enforced U.S., state and non-U.S. regulations. These difficulties can be heightened when we or our suppliers are required to produce finished product at commercial scale or to produce increased quantities to meet growing demand. In addition, we and our suppliers are subject to the FDA's current Good Manufacturing Practices, or cGMP, requirements, DEA regulations and other equivalent rules and regulations prescribed by non-U.S. regulatory authorities. We have cGMP responsibilities for the products we manufacture in our own facilities and also have oversight responsibilities for the manufacturing conducted by third party suppliers operating under contract with us. If we or any of our suppliers encounter manufacturing, quality or compliance difficulties with respect to any of our products, we may be unable to obtain or maintain regulatory approval, or meet commercial demand, for such products, which could adversely affect our business, financial

condition, results of operations and growth prospects. In addition, the failure of any of our suppliers to comply with cGMP or other rules and regulations while manufacturing products on our behalf could result in regulatory action directed at the adequacy of our oversight of our contract suppliers, which could result in enforcement actions against us by the FDA and other regulatory entities.

We have a manufacturing and development facility in Athlone, Ireland. We are using this facility for the manufacture of Xyrem and development-stage products, including JZP-507 and JZP-258, and we expect to manufacture these products commercially at our Athlone facility should these candidates receive regulatory approval. However, other than our Athlone facility and our manufacturing plant in Italy where we produce the defibrotide drug substance, we currently do not have our own commercial manufacturing capability for our products, product candidates or their APIs, or packaging capability. As a result, our ability to develop and supply products in a timely and competitive manner depends primarily on third party suppliers being able to meet our ongoing commercial and clinical trial needs for API, other raw materials, packaging materials and finished products. In part due to the limited market size for our products and product candidates, we have a single source of supply for most of our marketed products, product candidates and their APIs. These single source arrangements put us at risk of interruption in supply in the event of manufacturing, quality or compliance difficulties at our suppliers.

Siegfried USA, LLC and its affiliates, or Siegfried, have been our sole supplier of sodium oxybate, the API for Xyrem, since 2012. Siegfried supplies sodium oxybate to our U.S.-based manufacturer of Xyrem and, through a Siegfried affiliate in Europe, to our Athlone facility. We expect that Siegfried will continue to be our sole supplier of sodium oxybate for the foreseeable future, and we cannot assure you that Siegfried can or will continue to supply on a timely basis, or at all, sufficient quantities of API to enable the manufacture of the quantities of Xyrem that we need. Patheon Pharmaceuticals Inc., which we refer to together with its affiliates as Patheon, is our sole U.S.-based manufacturer and supplier of Xyrem. Although we manufacture Xyrem in our Athlone facility, we expect to rely on Patheon as our U.S.-based supplier of Xyrem for the foreseeable future, and we cannot assure you that Patheon can or will continue to supply on a timely basis, or at all, the quantities of Xyrem that we need from Patheon.

Sodium oxybate is a Schedule I controlled substance in the U.S. The DEA limits the quantity of Schedule I controlled substances that may be manufactured and procured in the U.S. in any given calendar year through a quota system and, as a result, quotas from the DEA are required to manufacture and procure sodium oxybate in the U.S. Accordingly, we require DEA quotas for Siegfried in the U.S. to manufacture sodium oxybate and for Patheon, our U.S.-based Xyrem supplier, to procure the sodium oxybate from Siegfried to manufacture and supply us with Xyrem. Because the DEA typically grants quotas on an annual basis, Siegfried and Patheon are required to request and justify allocation of sufficient annual DEA quotas, as well as any additional DEA quotas necessary if our commercial or clinical requirements exceed the allocated quotas throughout the year. For the last few years, our suppliers were allocated only a portion of the published annual aggregate quota for the API. If one or more ANDA filers were to begin manufacturing a generic sodium oxybate product, generic manufacturers would need to obtain a portion of the annual aggregate API quota, which could decrease the DEA quota allocation obtained on our behalf by Siegfried and Patheon. In the past, we have had to engage in lengthy efforts to obtain the needed quotas after the original annual quotas had first been allocated. If, in the future, we and our third party suppliers cannot obtain the quotas that are needed on a timely basis, or at all, our business, financial condition, results of operations and growth prospects could be materially and adversely affected.

Erwinaze is licensed from, and manufactured for us by, a single source, PBL, a company that is wholly owned by the UK Department of Health and Social Care. The FDA's approval of the BLA for Erwinaze includes a number of post-marketing commitments related to the manufacture of Erwinaze by PBL. We cannot predict if or when PBL will comply with its manufacturing-related post-marketing commitments that are part of the BLA approval. In January 2017, the FDA issued a warning letter to PBL indicating that it was not satisfied with PBL's response to the FDA Form 483 issued to PBL in March 2016 and citing significant violations of cGMP for finished pharmaceuticals and significant deviations from cGMP for APIs. In March 2017, PBL filed a response to the warning letter with the FDA. In August 2018, the FDA conducted an inspection of the PBL manufacturing facility and issued an FDA Form 483 to PBL citing observations related to items referenced in the warning letter as well as other manufacturing practices, including data and records management. PBL continues to address the issues identified by the FDA in the warning letter and is preparing a response to the August 2018 Form 483. We cannot predict if or when PBL will correct the violations and deviations to the satisfaction of the FDA or whether the FDA will be satisfied with PBL's response. Any failure to do so to the satisfaction of the FDA could result in the FDA refusing admission of Erwinaze into the U.S., as well as additional enforcement actions by the FDA and other regulatory entities.

In the United Kingdom, or UK, where PBL's manufacturing facilities are located, PBL is subject to similar inspections conducted by the UK Medicines and Healthcare Products Regulatory Agency, or MHRA. Following a site inspection of PBL by MHRA in December 2017, MHRA issued an inspection report listing several major findings, including major deficiencies and failures by PBL to comply with cGMP. In January 2018, PBL filed a response to the report with the MHRA. We cannot predict if or when PBL will correct the violations and deviations to the satisfaction of MHRA or whether the MHRA will be

satisfied with PBL's response to the inspection report. Any failure by PBL to do so to the satisfaction of the MHRA could result in an enforcement action by the MHRA.

Inability to comply with regulatory requirements of the FDA, the MHRA or other competent authorities in the EU member states in which Erwinaze is subject to marketing authorization could adversely affect Erwinaze supply, particularly in light of our extremely limited product inventory, and could result in: enforcement actions by the FDA, MHRA or other EU member states' competent authorities (including the issuance of the local equivalents of FDA Form 483s or warning letters); the approval of the FDA or other competent authorities being suspended, varied, or revoked; product release being delayed or suspended; or product being seized or recalled. Any of these actions could have a material adverse effect on our sales of, and revenues from, Erwinaze and limit our future maintenance and potential growth of the market for this product. In addition, if the FDA or any non-U.S. regulatory authority mandates any changes to the specifications for Erwinaze, we may face challenges having product produced to meet such specifications, and our supplier may increase its price to supply Erwinaze meeting such specifications, which may result in additional costs to us or a delay in supply and may decrease any profit we would otherwise achieve with Erwinaze.

Moreover, the current manufacturing capacity for Erwinaze is completely absorbed by demand for the product. As a consequence of constrained manufacturing capacity, we have had an extremely limited or no ability to build product inventory levels that can be used to absorb supply disruptions resulting from quality, regulatory or other issues. We have experienced product quality, manufacturing and inventory challenges that have resulted, and may continue to result from time to time, in disruptions in our ability to supply certain markets and have caused, and may in the future cause, us to implement batch-specific, modified product use instructions. Most recently, we experienced temporary supply disruptions in the second quarter of 2018 globally, and we have been experiencing supply disruptions in the third quarter of 2018 in certain markets. We cannot predict whether the required remediation activities in connection with the January 2017 FDA warning letter, the December 2017 MHRA report or the August 2018 FDA Form 483 will further strain manufacturing capacity and adversely affect Erwinaze supply, particularly in light of our extremely limited product inventory. As capacity constraints and supply disruptions continue, whether as a result of continued quality, manufacturing or regulatory issues or otherwise, we will be unable to build a desired excess level of product inventory, our ability to supply the market may continue to be compromised and physicians' decisions to use Erwinaze have been, and may continue to be, negatively impacted.

If quality, manufacturing or regulatory issues persist and result in a disruption to supply or capacity constraints, under our agreement with PBL, we do not have the right to engage a backup supplier for Erwinaze except in very limited circumstances, such as following the termination of the agreement by us due to the uncured material breach or the cessation of manufacturing by our supplier. If we are required to engage a backup or alternative supplier, the transfer of technical expertise and manufacturing process to the backup or alternative supplier would be difficult, costly and time-consuming, might not be successful and would increase the likelihood of a delay or disruption in manufacturing or a shortage of supply of Erwinaze. If we fail to obtain a sufficient supply of Erwinaze, our sales of and revenues from Erwinaze, our future maintenance and potential growth of the market for this product, and/or our business, financial condition, results of operations and growth prospects could be materially adversely affected.

We are our sole supplier of, and we believe that we are currently the sole worldwide producer of, the defibrotide drug compound. We manufacture the defibrotide compound in a single facility located in Villa Guardia, near Como, Italy. Patheon currently processes the defibrotide compound into its finished vial form, and Patheon is the sole provider of our commercial and clinical supply of Defitelio. If Patheon does not or is not able to supply us with Defitelio for any reason, it may take time and resources to implement and execute the necessary technology transfer to another processor, and such delay could negatively impact our anticipated revenues from Defitelio and could potentially cause us to breach contractual obligations with customers or to violate local laws requiring us to deliver the product to those in need.

In addition, the API in Defitelio is derived from porcine DNA. If our porcine DNA supplier experiences safety or other issues that impact its ability to supply porcine materials to us as needed, we may not be able to find alternative suppliers in a timely fashion, which could negatively impact our supply of Defitelio.

Vyxeos is manufactured using our CombiPlex technology platform. CombiPlex products represent formulations with increased manufacturing complexities associated with producing drug delivery vehicles encapsulating two or more drugs that are maintained at a fixed ratio and, in the case of Vyxeos, two drugs that are co-encapsulated in a freeze-dried format. Given that our Vyxeos launch is at an early stage, there is limited experience with this complex manufacturing process. Vyxeos is manufactured by Baxter Oncology GmbH, or Baxter, which is a sole source supplier from a single site location. Baxter manufactured batches that were used in the Phase 3 clinical trial for Vyxeos; there have since been batch failures due to mechanical, component and other issues, and batches have been produced that have otherwise not been in compliance with applicable specifications. We are continuing to work with Baxter to address manufacturing complexities. If we fail to obtain a sufficient supply of Vyxeos due to manufacturing or regulatory challenges, our sales of and revenues from Vyxeos, our future maintenance and potential growth of the market for this product, and our business, financial condition, results of operations and growth prospects could be materially adversely affected.

While other contract manufacturers may be able to produce Vyxeos, the proprietary technology that supports the manufacture of Vyxeos is not easily transferable. Consequently, engaging an alternate manufacturer may be difficult, costly and time-consuming. If we are unable to obtain a sufficient supply of Vyxeos in accordance with applicable specifications on a timely basis for any reason, we may not have sufficient product for our planned commercial and clinical uses and our ability to successfully commercialize Vyxeos and generate sales of this product at the level we expect and to conduct ongoing and future clinical trials of Vyxeos could be materially and adversely affected, which could limit our future maintenance and potential growth of the market for this product. See also the discussion under the heading "*While Xyrem remains our largest product, our success also depends on our ability to effectively commercialize our other products and, in the case of our product candidates, our ability to obtain regulatory approval in the U.S. and Europe and, if approved, to successfully launch and commercialize those product candidates. Our inability to do so could have a material adverse effect on our business, financial condition, results of operations and growth prospects*" in this Part II, Item 1A.

In addition, while the APIs in Vyxeos, daunorubicin and cytarabine, are available from a number of suppliers, certain suppliers have received warning letters from the FDA. As a result, we have qualified other suppliers for each API, and we provided the qualification data to the FDA. If the FDA restricts importation of API from either supplier, and we are unable to qualify API from additional suppliers in a timely manner, or at all, our ability to successfully commercialize Vyxeos and generate sales of this product at the level we expect and to conduct ongoing and future clinical trials of Vyxeos could be materially and adversely affected.

To conduct our ongoing and any future clinical trials of, complete marketing authorization submissions for, and potentially launch our other product candidates, we need to have sufficient quantities of product manufactured. For example, Siegfried has supplied us with both the API and finished product for our development activities involving solriamfetol, including our Phase 3 clinical trials. We expect that Siegfried will manufacture and supply solriamfetol drug product for commercial sale if solriamfetol receives regulatory approval and that, in the short term, Siegfried will be the sole provider of our commercial supply of solriamfetol. If Siegfried does not or is not able to supply us with solriamfetol for any reason, it may take time and resources to implement and execute the necessary technology transfer to another provider, and such delay could negatively impact our anticipated revenues from solriamfetol.

JZP-258 and JZP-507 are currently manufactured at our Athlone facility, and we expect to manufacture these products commercially at our Athlone facility should we seek and receive regulatory approval. However, there can be no assurance that we or our suppliers will be able to produce sufficient supplies of our product candidates in a timely manner or in accordance with applicable specifications. In addition, to obtain FDA approval of any product candidate, we or our supplier or suppliers for that product must obtain approval by the FDA to manufacture and supply product, in some cases based on qualification data provided to the FDA as part of our NDA submission. Any delay in generating, or failure to generate, data required in connection with submission of the CMC portions of any NDA could negatively impact our ability to meet our anticipated submission dates, and therefore our anticipated timing for obtaining FDA approval, or our ability to obtain FDA approval at all. In addition, any failure of us or a supplier to obtain approval by the FDA to manufacture and supply product or any delay in receiving, or failure to receive, adequate supplies of a product on a timely basis or in accordance with applicable specifications could negatively impact our ability to successfully launch and commercialize products and generate sales of products at the levels we expect.

Failure by us or our third party suppliers to comply with regulatory requirements could adversely affect our or their ability to supply products or ingredients. All facilities and manufacturing techniques used for the manufacture of pharmaceutical products must be operated in conformity with applicable cGMP requirements. DEA regulations also govern U.S. facilities where controlled substances such as sodium oxybate are manufactured. Our manufacturing facilities and manufacturing facilities of our suppliers have been and are subject to periodic unannounced inspection by the FDA, the EMA, the DEA, the Italian Health Authority and other regulatory authorities, including state authorities and similar authorities in other jurisdictions, to confirm compliance with cGMP and other requirements. We and our third party suppliers must continually expend time, money and effort in production, record keeping and quality assurance and control to ensure that our products and product candidates meet applicable specifications and other requirements for product safety, efficacy and quality. Failure to comply with applicable legal and regulatory requirements subjects us and our suppliers to possible legal or regulatory action, including restrictions on supply or shutdown, which may adversely affect our or a supplier's ability to supply the ingredients or finished products we need. Moreover, our or our third party suppliers' facilities could be damaged by fire, flood, earthquake, power loss, telecommunication and information system failure, terrorism or similar events. Any of these events could cause a delay or interruption in manufacturing and potentially a supply shortage of our products, which could negatively impact our anticipated revenues.

If, for any reason, our suppliers, including any new suppliers, do not continue to supply us with our products or product candidates in a timely fashion and in compliance with applicable quality and regulatory requirements, or otherwise fail or refuse to comply with their obligations to us under our supply and manufacturing arrangements, we may not have adequate

remedies for any breach, and their failure to supply us could result in a shortage of our products or product candidates, which could adversely affect our business, financial condition, results of operations and growth prospects.

In addition, if one of our suppliers fails or refuses to supply us for any reason, it would take a significant amount of time and expense to qualify a new supplier. The FDA and similar international regulatory bodies must approve manufacturers of the active and inactive pharmaceutical ingredients and certain packaging materials used in our products. The loss of one of our suppliers could require us to obtain regulatory clearance in the form of a "prior approval supplement" and to incur validation and other costs associated with the transfer of the API or product manufacturing process. We believe that it could take up to two years, or longer in certain cases, to qualify a new supplier, and we may not be able to obtain APIs or finished products from new suppliers on acceptable terms and at reasonable prices, or at all. If there are delays in qualifying new suppliers or facilities or a new supplier is unable to obtain a sufficient quota from the DEA, if required, or to otherwise meet FDA or similar international regulatory body's requirements for approval, there could be a shortage of the affected products for the marketplace or for use in clinical studies, or both, particularly since we do not have secondary sources for supply and manufacture of the APIs for our products or backup suppliers for our finished products.

Our ability to develop and deliver products in a timely and competitive manner depends on our third party suppliers being able to continue to meet our ongoing commercial and development needs. Any delay in supplying, or failure to supply, products or product candidates by any of our suppliers could result in our inability to meet the commercial demand for our products, or our needs for use in clinical trials, and could adversely affect our business, financial condition, results of operations and growth prospects.

The commercial success of our products depends upon their market acceptance by physicians, patients, third party payors and the medical community.

If physicians do not prescribe our products, we cannot generate the revenues we anticipate from product sales. Market acceptance of any of our products by physicians, patients, third party payors and the medical community depends on:

- the clinical indications for which a product is approved and any restrictions placed upon the product in connection with its approval, such as a REMS, patient registry requirements or labeling restrictions;
- the prevalence of the disease or condition for which the product is approved and its diagnosis;
- the severity of side effects;
- acceptance by physicians and patients of each product as a safe and effective treatment;
- the extent to which the product is approved for inclusion on formularies of hospitals and managed care organizations;
- the conditions for reimbursement required by, and appropriate pricing and availability of reimbursement from, third party payors;
- availability of sufficient product inventory to meet demand, particularly with respect to Erwinaze;
- physicians' decisions relating to treatment practices based on availability of product inventory, particularly with respect to Erwinaze;
- perceived advantages over alternative treatments;
- relative convenience and ease of administration;
- with respect to Xyrem, physician and patient assessment of the burdens associated with obtaining or maintaining the certifications required under the Xyrem REMS;
- the cost of treatment in relation to alternative treatments, including generic products; and
- the availability of financial or other assistance for patients who are uninsured or underinsured.

Because of our dependence upon market acceptance of our products, any adverse publicity associated with harm to patients or other adverse events resulting from the use or misuse of our products or any similar products distributed by other companies, including generic versions of our products, could materially and adversely affect our business, financial condition, results of operations and growth prospects. For example, from time to time, there is negative publicity about illicit gamma-hydroxybutyrate, or GHB, and its effects, including with respect to illegal use, overdoses, serious injury and death. Because sodium oxybate, the API in Xyrem, is a derivative of GHB, Xyrem sometimes also receives negative mention in publicity relating to GHB. Patients, physicians and regulators may therefore view Xyrem as the same as or similar to illicit GHB. In addition, there are regulators and some law enforcement agencies that oppose the prescription and use of Xyrem generally because of its connection to GHB. Xyrem's label includes information about adverse events from GHB. Moreover, a sodium oxybate distribution system that is less restrictive than the Xyrem REMS, such as the generic sodium oxybate REMS approved by the FDA in January 2017, may increase the risks associated with sodium oxybate distribution, as patients, consumers and others may not differentiate generic sodium oxybate from Xyrem or differentiate between the different REMS programs. Any negative outcomes, including but not limited to risks to the public, caused by or otherwise related to the separate generic sodium oxybate REMS could have a significant negative impact in terms of product liability, goodwill, and prescribers' willingness to prescribe, and patients' willingness to take, Xyrem, any of which could have a material adverse effect on our Xyrem revenues.

In addition, we have periodically increased the price of Xyrem, most recently in January 2018, and may do so again in the future. We also have made and may in the future make similar price increases on our other products. Price increases on our products and negative publicity regarding pricing and price increases generally, whether on our products or products distributed by other pharmaceutical companies, could negatively affect market acceptance of our products. For additional discussion about payor acceptance, see the risk factor under the heading "*Access and adequate reimbursement coverage may not be available for our products, which could diminish our sales or affect our ability to sell our products profitably*" in this Part II, Item 1A.

We face substantial competition from other companies, including companies with greater resources, including larger sales organizations and more experience working with large and diverse product portfolios, than we have.

The commercial potential of our current products and any future products may be reduced or eliminated if our competitors develop or acquire and commercialize generic or branded products that are safer or more effective, have fewer side effects, are easier to administer or are less expensive than our products. The pharmaceutical industry is highly competitive and dominated by a number of large, established pharmaceutical companies, as well as specialty pharmaceutical companies that market products and develop product candidates in sleep, hematology/oncology, pain and other therapeutic areas. Many of our competitors, particularly large pharmaceutical and life sciences companies, have substantially greater financial, operational and human resources than we do. They can spend more on, and have more expertise in, research and development, regulatory, manufacturing, distribution and sales activities. As a result, our competitors may obtain FDA or other regulatory approvals for their product candidates more rapidly than we may and may market their products more effectively than we do. Smaller or earlier stage companies may also prove to be significant competitors, particularly through focused development programs and collaborative arrangements with large, established companies.

While Xyrem is the only product approved by the FDA and currently marketed in the U.S. for the treatment of both cataplexy and EDS in patients with narcolepsy, cataplexy is often treated with tricyclic antidepressants and selective serotonin reuptake inhibitors or selective norepinephrine reuptake inhibitors, even though these products are not approved by the FDA for the treatment of cataplexy. Other treatments for EDS in patients with narcolepsy include stimulants and wakefulness promoting agents, such as Provigil® (modafinil) and Nuvigil® (armodafinil), as well as generic versions of Provigil, the only other products both approved by the FDA and currently marketed for the treatment of EDS in patients with narcolepsy. Provigil, its generic equivalents and Nuvigil are also approved for improving wakefulness in patients with EDS associated with treated OSA or shift work disorder.

We are also aware of products being developed by others for use as treatment options in cataplexy and/or EDS in patients with narcolepsy, including a product to treat adult patients with narcolepsy with or without cataplexy that received marketing approval in Europe in 2016. While this product is currently not approved by the FDA for marketing in the U.S., the company that has exclusive U.S. commercialization rights to this product recently established an expanded access program for the product and has announced that the product has received Breakthrough Therapy and Fast Track designations from the FDA. The receipt of marketing approval and commercialization of this product in the U.S. for the treatment of narcolepsy patients could, depending on the targeted patient population, negatively impact our ability to maintain and grow sales of Xyrem.

Nine companies have filed ANDAs with the FDA seeking to market generic versions of Xyrem. The FDA has approved or tentatively approved some of these ANDAs, and we believe that it is likely that the FDA will approve or tentatively approve additional ANDAs. We have settled lawsuits against eight of these companies, and patent litigation is ongoing with the remaining non-settling ANDA filer. For a description of the settlement agreements, ongoing litigation and the risks related to the launch of a generic sodium oxybate product, see Note 9, Commitments and Contingencies—Legal Proceedings of the Notes to Condensed Consolidated Financial Statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q, "Management's Discussion and Analysis of Financial Condition and Results of Operations—Challenges, Risks and Trends Related to Our Lead Marketed Products and Product Candidates Submitted for Regulatory Approval" included in Part I, Item 2 of this Quarterly Report on Form 10-Q, and the risk factor under the heading "*The launch of a generic version of Xyrem or other sodium oxybate products that compete with Xyrem would adversely affect sales of Xyrem.*"

Other companies could also develop products that are similar, but not identical, to Xyrem, such as an alternative formulation or an alternative delivery technology, and seek approval in the U.S. through a Section 505(b)(2) NDA approval pathway, which allows companies to seek approval of a product that is similar, but not identical, to a previously-approved brand-name product, and to rely to some degree on the previously-approved product's safety and efficacy data. For example, Avadel has stated that it is conducting a Phase 3 pivotal trial pursuant to an FDA-approved special protocol assessment, and has indicated that it intends to seek approval of its product candidate using a Section 505(b)(2) NDA approval pathway referencing Xyrem. If Avadel successfully develops, obtains FDA approval of and is able to launch this product candidate, Avadel's product may compete with Xyrem and could result in a substantial reduction of Xyrem sales, which could have the additional impact of potentially triggering acceleration of market entry of AG Products or other generic sodium oxybate products under our ANDA litigation settlement agreements.

We expect that the launch of an AG Product or other generic version of Xyrem, or the approval and launch of other products that compete with Xyrem, could have a material adverse effect on our sales of Xyrem and on our business, financial condition, results of operations and growth prospects. For further discussion regarding these and other risks and challenges we face with respect to Xyrem, see the risk factors under the headings "Risks Related to Xyrem and the Significant Impact of Xyrem Sales" and "Risks Related to Our Intellectual Property" in this Part II, Item 1A.

While there is currently no direct competition to Erwinaze to treat ALL patients with hypersensitivity to *E. coli*-derived asparaginase, other companies have developed or are developing new treatments for ALL, including new asparaginase treatments that could reduce the rate of hypersensitivity in patients with ALL, and new treatment protocols are being developed for ALL that may not include asparaginase-containing regimens. For example, a number of companies are developing new immunotherapy treatments for relapsed or refractory ALL patients, including one treatment that was recently approved. The development of these new treatments could negatively impact our ability to grow sales of Erwinaze in patient populations where the benefit of an asparaginase-containing regimen is not well established. As a biologic product, Erwinaze also faces potential competition from biosimilar products.

AML, the cancer indication for which we commercialize Vyxeos, has alternative established therapies. A key consideration in the treatment of AML patients is the patient's suitability for chemotherapy. The patient population studied in the Vyxeos Phase 3 clinical trial included AML patients deemed able to tolerate chemotherapy. The existing options for the treatment of newly-diagnosed t-AML patients who can tolerate chemotherapy include cytarabine in combination with an anthracycline (i.e., daunorubicin), known as 7+3. In addition, we are aware of several other products that have been recently approved by the FDA or are in development for use as treatment options for AML patients, such as targeted agents (e.g., FLT-3, IDH-1, IDH-2, CD-33 and CAR T‑cell). Some of the patient populations being studied for, or treated by, these products overlap with the patient population studied in the Vyxeos Phase 3 clinical trial. The existence of established treatment options and the development of competing products for the treatment of newly-diagnosed t-AML or AML-MRC could negatively impact our ability to successfully commercialize Vyxeos and achieve the level of sales we expect, which could have a material adverse effect on our business, financial condition, results of operations and growth prospects.

In the fourth quarter of 2017, we submitted an NDA for solriamfetol to the FDA for the treatment of patients with ES in narcolepsy and ES in OSA. In the first quarter of 2018, the FDA accepted the NDA for filing with a standard review. The FDA has set a target action date under the PDUFA of December 20, 2018, and we expect that solriamfetol will be subject to scheduling under the U.S. Controlled Substances Act, or CSA, before it can be commercially launched. Other treatments for ES in patients with narcolepsy include stimulants, wake-promoting agents, such as Provigil and Nuvigil, and generic versions of stimulants and wake-promoting agents. We are also aware that stimulants are prescribed for patients who have OSA. Solriamfetol, if approved by the FDA, will likely face competition from this genericized market. In addition, we are aware of several other products in development to treat ES in patients with narcolepsy or OSA, including, for example, pitolisant, mazindol, modafinil combinations and Avadel's once-nightly sodium oxybate formulation.

Many of our competitors are able to deploy more personnel to market and sell their products than we do. We currently have a relatively small number of sales representatives compared with the number of sales representatives of most other pharmaceutical companies with marketed products. Each of our sales representatives is responsible for a territory of significant size. The continued growth of our current products and the launch of any future products may require expansion of our sales force and sales support organization, and we may need to commit significant additional funds, management and other resources to the growth of our sales organization. We may not be able to achieve any necessary growth in a timely or cost-effective manner or realize a positive return on our investment, and we may not have the financial resources to achieve the necessary growth in a timely manner, or at all. In particular, we compete with a significant number of pharmaceutical and life sciences companies with extensive sales, marketing and promotional experience in hematology/oncology markets, and our failure to compete effectively in this area could negatively affect our sales of Erwinaze, Defitelio, Vyxeos and other products. We also have to compete with other pharmaceutical and life sciences companies to recruit, hire, train and retain sales and marketing personnel, and turnover in our sales force and marketing personnel could negatively affect sales of our products. If our specialty sales force and sales organization are not appropriately sized to adequately promote any current or potential future products, the commercial potential of our current products and any future products may be diminished.

Our products and product candidates may also compete in the future with new products currently under development by others. Any products that we develop are likely to be in a highly competitive market, and many of our competitors may succeed in developing products that may render our products obsolete or noncompetitive.

Our ability to continue to grow further requires that we compete successfully with specialty pharmaceutical companies for product and product candidate acquisition and in-licensing opportunities. These competitors include established companies that may have a competitive advantage over us due to their size and financial resources.

We may not be able to successfully identify and acquire, in-license or develop additional products or product candidates to grow our business, and, even if we are able to do so, we may not be able to successfully manage the risks associated with integrating any products or product candidates we may acquire in the future into our product portfolio, or we may otherwise fail to realize the anticipated benefits of these acquisitions.

We intend to grow our business over the long term by acquiring or in-licensing and developing additional products and product candidates that we believe have significant commercial potential. Future growth through acquisition or in-licensing will depend upon the availability of suitable products and product candidates for acquisition or in-licensing on acceptable prices, terms and conditions.

Even if appropriate opportunities are available, we may not be able to successfully identify them, or we may not have the financial resources necessary to pursue them. Other companies, many of which may have substantially greater financial, marketing and sales resources, compete with us for these opportunities. In order to compete successfully to acquire attractive products or product candidates in the current business climate, we may have to pay higher prices for assets than may have been paid historically, which may make it more difficult for us to realize an adequate return on any acquisition.

Even if we are able to successfully identify and acquire, in-license or develop additional products or product candidates, we cannot assure you that we will be able to successfully manage the risks associated with integrating any products or product candidates or the risks arising from anticipated and unanticipated problems in connection with an acquisition or in-licensing. We may not be able to realize the anticipated benefits of any acquisition or in-licensing for a variety of reasons, including if:

- we are unable to obtain and maintain adequate funding to complete the development of, obtain regulatory approval for and commercialize an acquired product candidate;
- a product candidate proves not to be safe or effective in later clinical trials;
- a product fails to reach its forecasted commercial potential as a result of pricing pressures or for any other reason;
- we experience negative publicity regarding actual or potential future price increases for that product or otherwise; or
- the integration of a product or product candidate gives rise to unforeseen difficulties and expenditures.

Any failure to identify and manage these risks and uncertainties effectively could have a material adverse effect on our business.

In addition, product and product candidate acquisitions create other uncertainties and risks, particularly when the acquisition takes the form of a merger or other business consolidation. Our business acquisitions have required, and any similar future transactions will also require, significant efforts and expenditures, including with respect to transition activities and integrating the acquired business with our historical business. We may encounter unexpected difficulties, or incur unexpected costs, in connection with potential acquisitions and similar transactions, which include:

- high acquisition costs;
- the need to incur substantial debt or engage in dilutive issuances of equity securities to pay for acquisitions;
- the potential disruption of our historical core business;
- the strain on, and need to continue to expand, our existing operational, technical, financial and administrative infrastructure;
- the difficulties in assimilating employees and corporate cultures;
- the failure to retain key managers and other personnel;
- the challenges in controlling additional costs and expenses in connection with and as a result of any acquisition;
- the need to write down assets or recognize impairment charges;
- the diversion of our management's attention to integration of operations and corporate and administrative infrastructures; and
- any unanticipated liabilities for activities of or related to the acquired business or its operations, products or product candidates.

If any of these or other factors impair our ability to integrate or otherwise manage an acquired business efficiently and successfully, we may be required to spend time or money on integration activities that otherwise would be spent on the development and expansion of our business. Resulting operating inefficiencies could increase costs and expenses more than we planned, could negatively impact the market price of our ordinary shares and could otherwise distract us from the execution of our strategy. Failure to maintain effective financial controls and reporting systems and procedures during and after integration of an acquired business could also impact our ability to produce timely and accurate financial statements.

Conducting clinical trials is costly and time-consuming, and the outcomes are uncertain. A failure to prove that our product candidates are safe and effective in clinical trials, or to generate data in clinical trials to support expansion of the therapeutic uses for our existing products, could materially and adversely affect our business, financial condition, results of operations and growth prospects.

Since 2014, we have made significant investments into expanding our product development pipeline and expect to continue to increase our research and development activities. Significant clinical, development and financial resources are required to progress product candidates through clinical trials and the regulatory approval process to develop them into commercially viable products. We have a number of product candidates under development. We also intend to pursue clinical development of other product candidates that we may acquire or in-license in the future. Any failure or delay in completing clinical trials for our product candidates would prevent or delay the commercialization of our product candidates, which could materially and adversely affect our business, financial condition, results of operations and growth prospects.

As a condition to regulatory approval, each product candidate must undergo extensive and expensive preclinical studies and clinical trials to demonstrate to a statistically significant degree that the product candidate is safe and effective. The results at any stage of the development process may lack the desired safety, efficacy or pharmacokinetic characteristics. Results of limited preclinical studies, including studies of our product candidates in animal models, may not predict the results of human clinical trials of those product candidates. Similarly, results from early clinical trials may not be predictive of results obtained in later and larger clinical trials, and product candidates in later clinical trials may fail to show the desired safety and efficacy despite having progressed successfully through initial clinical testing. In that case, the FDA or any equivalent non-U.S. regulatory agency may determine our data is not sufficiently compelling to warrant marketing approval and may require us to engage in additional clinical trials or provide further analysis which may be costly and time-consuming. A number of companies in the pharmaceutical industry, including us, have suffered significant setbacks in clinical trials, even in advanced clinical trials after showing positive results in preclinical studies or earlier clinical trials. If a product candidate fails at any stage of development and does not receive regulatory approval, we will not be able to commercialize it and receive any return on our investment in that product candidate.

The FDA accepted for filing with standard review our NDA for solriamfetol to the FDA in the first quarter of 2018. The NDA was submitted to the FDA based on positive results from two Phase 3 clinical trials, but if the FDA determines that our safety or efficacy data do not warrant marketing approval, we may be required to conduct additional clinical trials, which could be costly and time-consuming, or we may not be able to commercialize solriamfetol, in which event we would not receive any return on our investment.

Our development pipeline projects may not be successful, and any adverse events or other information generated during the course of studies related to existing products could result in action by the FDA or a non-U.S. regulatory agency, which may restrict our ability to sell, or adversely affect sales of, currently marketed products, or such events or other information could otherwise have a material adverse effect on a related commercial product. Any failure or delay in completing clinical trials for line extensions or the generation of additional clinical data could materially and adversely affect the maintenance and growth of the markets for the related marketed products, which could adversely affect our business, financial condition, results of operations and overall growth prospects.

In addition to issues relating to the results generated in clinical trials, clinical trials can be delayed or halted for a variety of reasons, including:

- delays or failures in obtaining regulatory authorization to commence a trial because of safety concerns of regulators relating to our product candidates or similar product candidates of our competitors or failure to follow regulatory guidelines;
- delays or failures in obtaining clinical materials and manufacturing sufficient quantities of the product candidate for use in trials;
- delays or failures in reaching agreement on acceptable terms with prospective study sites;
- delays or failures in obtaining approval of our clinical trial protocol from an institutional review board, also known as an ethics committee in Europe, to conduct a clinical trial at a prospective study site;
- delays or failures in recruiting patients to participate in a clinical trial;
- failure of our clinical trials and clinical investigators to be in compliance with the FDA and other regulatory agencies' requirements, commonly referred to as good clinical practices;
- unforeseen safety issues, including negative results from ongoing preclinical studies and clinical trials and adverse events associated with product candidates;
- inability to monitor patients adequately during or after treatment;
- difficulty monitoring multiple study sites;
- difficulty identifying or enrolling eligible patients, in some cases based on the number of clinical trials with enrollment criteria targeting the same patient population;

- failure of our third party clinical trial managers to satisfactorily perform their contractual duties, comply with regulations or meet expected deadlines; or
- insufficient funds to complete the trials.

We have substantially expanded our international footprint and operations, and we may expand further in the future, but we do not yet have substantial historical experience in international markets and may not achieve the results that we, our shareholders or analysts who cover our business expect.

We are headquartered in Dublin, Ireland and have multiple offices in the U.S., Canada, the UK, Italy and other countries in Europe. Our headcount has grown to approximately 1,260 as of August 2018. This includes employees in 14 countries in North America and Europe, a European commercial presence, a complex distribution network for products in Europe and additional territories, and manufacturing facilities in Italy and Ireland. In addition, we may expand our international operations into other countries in the future, either organically or by acquisition. While we have acquired significant management and other personnel with substantial international experience, conducting our business in multiple countries subjects us to a variety of risks and complexities that may materially and adversely affect our business, results of operations, financial condition and growth prospects, including, among other things:

- the increased complexity and costs inherent in managing international operations;
- diverse regulatory, financial and legal requirements, and any future changes to such requirements, in one or more countries where we are located or do business;
- country-specific tax, labor and employment laws and regulations;
- applicable trade laws, tariffs, export quotas, custom duties or other trade restrictions, and any changes to them;
- challenges inherent in efficiently managing employees in diverse geographies, including the need to adapt systems, policies, benefits and compliance programs to differing labor and other regulations, as well as maintaining positive interactions with unionized employees in one of our international locations;
- liabilities for activities of, or related to, our international operations, products or product candidates;
- changes in currency rates; and
- regulations relating to data security and the unauthorized use of, or access to, commercial and personal information.

As a result of our rapid growth, our business and corporate structure has become substantially more complex. There can be no assurance that we will effectively manage the increased complexity without experiencing operating inefficiencies or control deficiencies. Significant management time and effort is required to effectively manage the increased complexity of our company, and our failure to successfully do so could have a material adverse effect on our business, financial condition, results of operations and growth prospects.

In addition, in June 2016, eligible members of the electorate in the UK decided by referendum to leave the EU. On March 29, 2017, the government of the UK initiated the formal procedure for withdrawal from the EU. We have a significant office in Oxford, England, which focuses on commercialization of our products outside of the U.S., among other activities. We do not know to what extent, or when, the UK's withdrawal from the EU or any other future changes to membership in the EU will impact our business, if at all. In particular, our ability to conduct international business out of the UK may be adversely affected. For a further discussion, see the risks under the heading "*The results of the UK's referendum on withdrawal from the EU may have a negative effect on global economic conditions, financial markets and our business*" in this Part II, Item 1A. Moreover, in the U.S., tariffs on certain U.S. imports have recently been imposed, and Canada, the EU and other countries have responded with retaliatory tariffs on certain U.S. exports. We cannot predict what effects these and potential additional tariffs will have on our business, including in the context of escalating trade tensions. However, these tariffs and other trade restrictions could increase our cost of doing business, reduce our gross margins or otherwise negatively impact our financial results.

We rely on third parties to conduct clinical trials with our product candidates, and if they do not properly and successfully perform their legal and regulatory obligations, as well as their contractual obligations to us, we may not be able to obtain regulatory approvals for our product candidates.

We rely on contract research organizations and other third parties, such as cooperative groups, to assist us in designing, coordinating, managing, monitoring and otherwise conducting clinical trials with our product candidates. We do not control these third parties, and, as a result, they may not treat our clinical studies as a high priority, or in the manner in which we would prefer, which could result in delays. We are responsible for confirming that each of these clinical trials is conducted in accordance with its general investigational plan and protocol, as well as good clinical practices, and for conducting, recording and reporting the results of clinical trials to ensure that the data and results are credible and accurate and that the trial participants are adequately protected. The FDA and non-U.S. regulatory agencies enforce good clinical practices through periodic inspections of trial sponsors, principal investigators and trial sites. If we, contract research organizations assisting us with clinical trials, other third parties conducting clinical trials with our product candidates, or our trial sites fail to comply with applicable good clinical practices, the clinical data generated in these clinical trials may be deemed unreliable, and the FDA or

its non-U.S. counterparts may require us to perform additional clinical trials before approving our marketing applications. We cannot assure you that, upon inspection, the FDA or non-U.S. regulatory agencies will determine that any of these clinical trials comply with good clinical practices. In addition, these clinical trials must be conducted with product candidates produced under the FDA's cGMP regulations and similar regulations outside of the U.S. Our failure, or the failure of our product suppliers, to comply with these regulations may require us to repeat or redesign clinical trials, which would delay the regulatory approval process.

If third parties do not successfully carry out their contractual duties under their agreements with us, if the quality or accuracy of the data they obtain is compromised due to failure to adhere to our clinical protocols, including dosing requirements, or regulatory requirements, or if they otherwise fail to comply with clinical trial protocols or meet expected deadlines, our clinical trials may not meet regulatory requirements. If our clinical trials do not meet regulatory requirements or if these third parties need to be replaced, our clinical trials may be extended, delayed, suspended or terminated. If any of these events occur, we may not be able to obtain regulatory approval of our product candidates or succeed in our efforts to create approved line extensions for certain of our existing products or generate additional useful clinical data in support of these products.

If we fail to attract, retain and motivate key personnel or to retain the members of our executive management team, our operations and our future growth may be adversely affected.

Our success and our ability to grow depend in part on our continued ability to attract, retain and motivate highly qualified personnel and on our ability to develop and maintain important relationships with leading academic institutions, clinicians and scientists. We are highly dependent upon our executive management team and other critical personnel, all of whom work on many complex matters that are essential to our success. We do not carry "key person" insurance. The loss of services of one or more members of our executive management team or other key personnel could delay or prevent the successful completion of some of our vital activities. Any employee may terminate his or her employment at any time without notice or with only short notice and without cause or good reason. The resulting loss of institutional knowledge may negatively impact our operations and future growth.

In addition, to grow our company we will need additional personnel. Competition for qualified personnel in the pharmaceutical industry is very intense. If we are unable to attract, retain and motivate quality individuals, including in our research and development operations, which are continuing to expand, our business, financial condition, results of operations and growth prospects could be adversely affected.

We also depend on the unique abilities, industry experience and institutional knowledge of the members of our board of directors to efficiently set company strategy and effectively guide our executive management team. We cannot be certain that future board turnover will not negatively affect our business.

Significant disruptions of information technology systems or data security breaches could adversely affect our business.

We are increasingly dependent on information technology systems and infrastructure, including mobile technologies, to operate our business. In the ordinary course of our business, we collect, store, process and transmit large amounts of confidential information, including intellectual property, proprietary business information and personal information. It is critical that we do so in a secure manner to maintain the confidentiality, integrity and availability of such confidential information. We have also outsourced elements of our operations (including elements of our information technology infrastructure) to third parties, and as a result we manage a number of third party vendors who may or could have access to our confidential information. In addition, many of those third parties, in turn, subcontract or outsource some of their responsibilities to third parties. As a result, our information technology systems, including the functions of third parties that are involved or have access to those systems, are large and complex. The size and complexity of our information technology systems, and the large amounts of confidential information stored on those systems, make such systems potentially vulnerable to service interruptions or to security breaches from inadvertent or intentional actions by our employees, third party vendors, and/or business partners, or from cyber-attacks by malicious third parties. Attacks of this nature are increasing in their frequency, levels of persistence, sophistication and intensity, and are being conducted by sophisticated and organized groups and individuals with a wide range of motives (including, but not limited to, industrial espionage) and expertise, including organized criminal groups, "hacktivists," nation states and others. In addition to the extraction of important information, such attacks could include the deployment of harmful malware, ransomware, denial-of-service attacks, social engineering and other means to affect service reliability and threaten the confidentiality, integrity and availability of information. Although the aggregate impact on our operations and financial condition has not been material to date, we have been the target of events of this nature and expect them to continue.

Significant disruptions of our, our third party vendors' and/or business partners' information technology systems or security breaches could adversely affect our business operations and/or result in the loss, misappropriation, and/or unauthorized access, use or disclosure of, or the prevention of access to, confidential information (including trade secrets or other intellectual property, proprietary business information and personal information), and could result in financial, legal, business and

reputational harm to us. Any such event that leads to unauthorized access, use or disclosure of personal information, including personal information regarding our patients or employees, could harm our reputation, compel us to comply with federal and/or state breach notification laws and foreign law equivalents, subject us to mandatory corrective action, require us to verify the correctness of database contents and otherwise subject us to liability under laws and regulations that protect the privacy and security of personal information, which could disrupt our business, result in increased costs or loss of revenue, and/or result in significant legal and financial exposure. In addition, security breaches and other inappropriate access can be difficult to detect, and any delay in identifying them may lead to increased harm of the type described above. Moreover, the prevalent use of mobile devices to access confidential information increases the risk of security breaches. While we have implemented security measures to protect our information technology systems and infrastructure, there can be no assurance that such measures will prevent service interruptions or security breaches that could adversely affect our business.

The results of the UK's referendum on withdrawal from the EU may have a negative effect on global economic conditions, financial markets and our business.

On March 29, 2017, the government of the UK initiated the formal procedure for withdrawal from the EU. The procedure involves a two-year negotiation period in which the UK and the EU must conclude an agreement setting out the terms of the UK's withdrawal and the arrangements for the UK's future relationship with the EU. This negotiation period could be extended by a unanimous decision of the European Council in agreement with the UK.

The referendum has created significant uncertainty concerning the future relationship between the UK and the EU. This includes the laws and regulations that will apply as the UK determines which EU laws to replace or replicate in the event of a withdrawal. From a regulatory perspective, the UK's withdrawal could result in significant complexity and risks.

The UK referendum has also given rise to calls for the governments of other EU member states to consider withdrawal from the EU. These developments, or the perception that they could occur, have had and may continue to have a material adverse effect on global economic conditions and the stability of global financial markets. They may significantly reduce global market liquidity and restrict the ability of key market participants to operate in certain financial markets.

We have a significant office in Oxford, England, which focuses on commercialization of our products outside of the U.S., among other activities. We do not know to what extent, or when, the UK's withdrawal from the EU or any other future changes to membership in the EU will impact our business, if at all. In particular, our ability to conduct international business out of the UK may be adversely affected. For a further discussion, see the risks under the headings "*We have substantially expanded our international footprint and operations, and we may expand further in the future, but we do not yet have substantial historical experience in international markets and may not achieve the results that we, our shareholders or analysts who cover our business expect*" and "*The regulatory approval process is expensive, time-consuming and uncertain and may prevent us or our partners from obtaining approvals for the commercialization of some or all of our product candidates*" in this Part II, Item 1A.

We cannot predict whether historical revenues from named patient programs for our hematology/oncology products will continue or whether we will be able to continue to distribute those products on a named patient basis.

In certain European countries, reimbursement for products that have not yet received marketing authorization may be provided through national named patient programs. Erwinase, Defitelio and Vyxeos are available on a named patient basis in many countries where they are not commercially available. Such reimbursement may cease to be available if authorization for a named patient program expires or is terminated. While we generate revenue from the distribution of these products through named patient programs, we cannot predict whether historical revenues from these programs will continue, whether we will be able to continue to distribute our products on a named patient basis in these countries, whether we will be able to commercialize our products in countries where the products have historically been available on a named patient basis, or whether commercial revenues will exceed revenues historically generated from sales on a named patient basis. Any failure to maintain revenues from sales of Erwinase and/or Defitelio on a named patient basis and/or to generate revenues from commercial sales of these products exceeding historical sales on a named patient basis could have a material adverse effect on our business, financial condition, results of operations and growth prospects.

Risks Related to Our Intellectual Property

It is difficult and costly to protect our proprietary rights, and we may not be able to ensure their protection.

Our commercial success depends in part on obtaining and maintaining patent protection of our products and product candidates and their use and the methods used to manufacture and distribute them, as well as successfully defending these patents against third party challenges, and successfully protecting our trade secrets. Our ability to protect our products and product candidates from unauthorized making, using, selling, offering to sell or importation by third parties depends on the extent to which we have rights under valid and enforceable patents or have adequately protected trade secrets that cover these activities. We cannot be certain that any of our patent applications, or those of our licensors, will result in issued patents, that

the patents we own and license, or any additional patents we may own or license, will prevent other companies from developing similar or therapeutically equivalent products, or that others will not be issued patents that may prevent the sale of our products or require licensing and the payment of significant fees or royalties.

The patent position of pharmaceutical companies can be highly uncertain and involve complex and often changing legal, regulatory and factual questions. We own a portfolio of U.S. and non-U.S. patents and patent applications and have licensed rights to a number of issued patents and patent applications that cover or relate to our products and product candidates, including Xyrem, Defitelio, Vyxeos and solriamfetol. Changes in either the patent laws or in interpretations of patent laws in the U.S. and other countries may diminish the value of our intellectual property. Even if we are able to obtain patents covering our products and product candidates, any patent may be challenged, invalidated, held unenforceable or circumvented, potentially including by FDA approval of an ANDA or Section 505(b)(2) application that avoids infringement of our intellectual property.

Although Xyrem is covered by patents covering its manufacture, formulation, distribution system and method of use, and we have U.S. patents that extend to 2033, third parties are seeking to introduce generic versions of Xyrem, and additional third parties may also attempt to invalidate or design around the patents, or assert that they are invalid or otherwise unenforceable, and seek to introduce generic versions of Xyrem or other sodium oxybate products for treatment of cataplexy and/or EDS in narcolepsy. Notwithstanding our patents and the terms of settlement agreements licensing those patents as of future dates, it is possible that a non-settling company that obtains and maintains FDA approval of an ANDA for a generic version of Xyrem or an NDA for another sodium oxybate product could introduce such product before our patents expire or before the entry dates specified in our settlement agreements, including if such company obtains a final judicial determination that its product does not infringe our patents, if it is determined that our patents are invalid or unenforceable, or if such company decides, before applicable patent litigation is concluded, to launch a sodium oxybate product at risk of being held liable for damages for patent infringement. In addition, even if we prevail in such litigation at trial or on appeal, we cannot guarantee that a court will grant an injunction that prevents a defendant from marketing a product that infringes our patents. Instead the court may order a party that is found to infringe to pay damages, which could be significant. If a non-settling company launches a product in any of these scenarios, it could accelerate the launch dates for AG Products and generic sodium oxybate products under our ANDA litigation settlement agreements, depending on the circumstances. For a description of our ongoing patent proceedings in the District Court and related regulatory matters and further discussion regarding the risks associated with our ANDA settlement agreements, the potential launch of AG Products or other generic versions of Xyrem, or the approval and launch of other sodium oxybate or other products that compete with Xyrem, as well as other risks and challenges we face with respect to Xyrem, see Note 9, Commitments and Contingencies—Legal Proceedings of the Notes to Condensed Consolidated Financial Statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q, "Management's Discussion and Analysis of Financial Condition and Results of Operations—Challenges, Risks and Trends Related to Our Lead Marketed Products and Product Candidates Submitted for Regulatory Approval" included in Part I, Item 2 of this Quarterly Report on Form 10-Q, and the risk factors under the headings "Risks Related to Xyrem and the Significant Impact of Xyrem Sales" and "*We have incurred and expect to continue to incur substantial costs as a result of litigation or other proceedings relating to patents, other intellectual property rights and related matters, and we may be unable to protect our rights to, or commercialize, our products"* in this Part II, Item 1A.

The existence of a patent will not necessarily prevent other companies from developing similar or therapeutically equivalent products or protect us from claims of third parties that our products infringe their issued patents, which may require licensing and the payment of significant fees or royalties. Competitors may successfully challenge our patents, produce similar products that do not infringe our patents, or manufacture products in countries where we have not applied for patent protection or that have a different scope of patent protection or that do not respect our patents. Accordingly, we cannot predict the breadth of claims that may be allowed or enforced in our patents, our licensed patents or in third party patents.

The degree of future protection to be afforded by our proprietary rights is uncertain because legal means afford only limited protection and may not adequately protect our rights or permit us to gain or keep our competitive advantage. For example:

- others may independently develop similar or alternative products without infringing our intellectual property rights, such as products that are not covered by the claims of our patents, or for which we do not have adequate exclusive rights under our license agreements;
- we or our licensors or partners might not have been the first to invent or file, as appropriate, subject matters covered by our issued patents or pending patent applications or the pending patent applications or issued patents of our licensors or partners;
- our pending patent applications may not result in issued patents;
- our issued patents and the issued patents of our licensors or partners may not provide us with any competitive advantages, or may be held invalid or unenforceable as a result of legal challenges by third parties;

- our issued patents and the issued patents of our licensors or partners may be vulnerable to legal challenges as a result of changes in applicable law;
- we may not develop additional proprietary products that are patentable; or
- the patents of others may have an adverse effect on our business.

We also rely on trade secrets and other unpatented proprietary information to protect our products and commercial position, particularly with respect to our products with limited or no patent protection, such as Erwinaze. We seek to protect our trade secrets and other unpatented proprietary information in part through confidentiality agreements with our employees, consultants, advisors and partners. Nevertheless, our employees, consultants, advisors and partners may unintentionally or willfully disclose our proprietary information to competitors, and we may not have adequate remedies for such disclosures. In addition, if our employees, consultants, advisors or partners develop inventions or processes independently, or jointly with us, that may be applicable to our products, disputes may arise about ownership or proprietary rights to those inventions and processes. Such inventions and processes will not necessarily become our property, but may remain the property of those third parties or their employers. Enforcing a claim that a third party illegally obtained or is using any of our inventions or trade secrets is expensive and time-consuming, and the outcome is unpredictable. In addition, courts outside of the U.S. are sometimes less willing to protect trade secrets. Moreover, our competitors may independently develop equivalent knowledge, methods and know-how. Failure to obtain or maintain patent and/or trade secret protection, for any reason, could have a material adverse effect on our business.

We have patents covering many of our products in Europe and other parts of the world where patent laws operate differently than in the U.S., and provide a different scope of protection for our products than in the United States. In the EU, approval of a generic pharmaceutical product can occur independently of whether the reference brand product is covered by patents, and enforcement of such patents generally must await approval and an indication that the generic product is being offered for sale. Patent enforcement generally must be sought on a country by country basis, and issues of patent validity and infringement may be judged differently in different countries. Xyrem's regulatory exclusivity expired in the EU, and we are aware that generic or hybrid generic applications have been submitted, and additional generic or hybrid generic applications may be submitted, to various EU regulatory authorities. We cannot predict whether we will be able to enforce our European patents or any patents we may be granted in the future, or other intellectual property against generic or hybrid generic filers in the EU.

Certain of the products we sell have no patent protection and, as a result, potential competitors face fewer barriers in introducing competing products. We rely on trade secrets and other unpatented proprietary information to protect our commercial position with respect to such products, which we may be unable to do. In some instances, we also rely on regulatory exclusivity. For example, Erwinaze has no patent protection. In addition to protection using trade secrets, Erwinaze has been granted orphan drug exclusivity by the FDA for the treatment of ALL in the U.S. for a seven-year period from its FDA approval, which precludes approval of another product with the same principal molecular structure for the same indication until November 2018. Erwinaze, as a biologic product approved under a BLA, is also subject to the U.S. Biologics Price Competition and Innovation Act, or BPCIA. We believe that Erwinaze is protected by exclusivity that prevents approval of a biosimilar in the U.S. through late 2023 under the BPCIA. However, the BPCIA may evolve over time based on FDA issuance of guidance documents, proposed regulations, and decisions in the course of considering specific applications. In addition, the BPCIA exclusivity period does not prevent another company from independently developing a product that is highly similar to Erwinaze, generating all the data necessary for a full BLA and seeking approval. BPCIA exclusivity only assures that another company cannot rely on the FDA's prior approvals of Erwinaze to support the biosimilar product's approval. As a result, it is possible that a potential competing drug product might obtain FDA approval before the orphan drug and expected BCPIA exclusivity periods have expired, which would adversely affect sales of Erwinaze. In the EU, the regulatory data protection and thus regulatory exclusivity period for Erwinase has lapsed. This also means that any new marketing authorizations for Erwinase in other EU member states will not receive any regulatory data protection. If a biosimilar product to Erwinaze is approved as interchangeable to Erwinaze in the U.S. or in other countries where Erwinaze is sold, a significant percentage of the prescriptions that would have been written for Erwinaze may be filled with the biosimilar version, resulting in a loss in sales of Erwinaze, and there may be a decrease in the price at which Erwinaze can be sold. Competition from a biosimilar product to Erwinaze could have a material adverse effect on our business, financial condition, results of operations and growth prospects.

Our research and development collaborators may have rights to publish data and other information to which we have rights. In addition, we sometimes engage individuals or entities to conduct research that may be relevant to our business. While the ability of these individuals or entities to publish or otherwise publicly disclose data and other information generated during the course of their research is subject to contractual limitations, these contractual provisions may be insufficient or inadequate to protect our trade secrets and may impair our patent rights. If we do not apply for patent protection prior to such publication, or if we cannot otherwise maintain the confidentiality of our innovations and other confidential information, then our ability to obtain patent protection or protect our proprietary information may be jeopardized. Moreover, a dispute may arise with our business partners over the ownership of rights to jointly developed intellectual property. Such disputes, if not

successfully resolved, could lead to a loss of rights and possibly prevent us from pursuing certain new products or product candidates.

We have incurred and expect to continue to incur substantial costs as a result of litigation or other proceedings relating to patents, other intellectual property rights and related matters, and we may be unable to protect our rights to, or commercialize, our products.

Our ability, and that of our partners, to commercialize any approved products will depend, in part, on our ability to obtain patents, enforce those patents and operate without infringing the proprietary rights of third parties. The patent positions of pharmaceutical companies can be highly uncertain and involve complex legal and factual questions. We have filed multiple U.S. patent applications and non-U.S. counterparts, and may file additional U.S. and non-U.S. patent applications. There can be no assurance that any issued patents we own or control will provide sufficient protection to conduct our business as presently conducted or as proposed to be conducted. Moreover, for a variety of reasons, including the existence of relevant prior research performed and the existence of conflicting patent applications submitted in the same manner or similar fields, there can be no assurance that any patents will issue from the patent applications owned by us, or that we will remain free from infringement claims by third parties.

If we choose to go to court to stop a third party from infringing our patents, our licensed patents or our partners' patents, that third party has the right to ask the court or an administrative agency to rule that these patents are invalid and/or should not be enforced. These lawsuits and administrative proceedings are expensive and consume time and other resources, and we may not be successful in these proceedings or in stopping infringement. In addition, the IPR process under the Leahy-Smith America Invents Act permits any person, whether they are accused of infringing the patent at issue or not, to challenge the validity of certain patents. As a result, entities associated with hedge funds as well as ANDA litigants have challenged valuable pharmaceutical patents through the IPR process. There is a risk that a court will decide that our patents are not valid or infringed, and that we do not have the right to stop a third party from using the patented subject matter. As described below, the PTAB has determined that certain of our patents covering Xyrem are invalid and could make similar decisions in the future. In addition, even if we prevail in establishing that another product infringes a valid claim of one of our patents, a court may determine that we can be compensated for the infringement in damages, and refuse to issue an injunction. As a result, we may not be entitled to stop another party from infringing our patents for their full term. For a description of our ongoing patent proceedings in the District Court and related regulatory matters and further discussion regarding the risks associated with our settlement agreements with certain of the Xyrem ANDA filers, the potential launch of the AG Products or other generic versions of Xyrem, or the approval and launch of other sodium oxybate or other products that compete with Xyrem, as well as other risks and challenges we face with respect to Xyrem, see "Management's Discussion and Analysis of Financial Condition and Results of Operations—Challenges, Risks and Trends Related to Our Lead Marketed Products and Product Candidates Submitted for Regulatory Approval" included in Part I, Item 2 of this Quarterly Report on Form 10-Q, Note 9, Commitments and Contingencies—Legal Proceedings of the Notes to Condensed Consolidated Financial Statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q and the risk factors under the headings "Risks Related to Xyrem and the Significant Impact of Xyrem Sales" and "*It is difficult and costly to protect our proprietary rights, and we may not be able to ensure their protection"* in this Part II, Item 1A. We cannot assure you that our pending lawsuits, other lawsuits or proceedings we may file in the future, or our defense against any lawsuits or other proceeding that have been or will be brought against us will be successful in stopping the infringement of our patents, that any such litigation or other proceedings will be cost-effective, or that any of them will have a satisfactory result for us.

Litigation involving patent matters is frequently settled between the parties, rather than continuing to a court ruling, and we have settled patent litigation with eight of the nine Xyrem ANDA filers. The FTC has publicly stated that, in its view, certain types of agreements between branded and generic pharmaceutical companies related to the settlement of patent litigation or the manufacture, marketing and sale of generic versions of branded drugs violate the antitrust laws and has commenced investigations and brought actions against some companies that have entered into such agreements. In particular, the FTC has expressed its intention to take aggressive action to challenge settlements that include an alleged transfer of value from the brand company to the generic company (so-called "pay for delay" patent litigation settlements) and to call on legislators to pass stronger laws prohibiting such settlements. Because there is currently no precise legal standard with respect to the lawfulness of such settlements, there could be extensive litigation over whether any settlement that we have entered into or might enter into in the future constitutes a reasonable and lawful patent settlement. Parties to such settlement agreements in the U.S. are required by law to file the agreements with the FTC and the DOJ for review. Accordingly, we have submitted our Xyrem patent settlement agreements to the FTC and the DOJ for review. We may receive formal or informal requests from the FTC regarding our Xyrem patent settlements, and there is a risk that the FTC may commence a formal investigation or action against us, or a third party may initiate civil litigation regarding this settlement, which could divert the attention of management and cause us to incur significant costs, regardless of the outcome. Any claim or finding that we or our business partners have failed to comply with applicable laws and regulations could be costly to us and could have a material adverse effect on our business, financial condition, results of operations and growth prospects.

A third party may claim that we or our manufacturing or commercialization partners are using inventions covered by the third party's patent rights, or that we or such partners are infringing, misappropriating or otherwise violating other intellectual property rights, and may go to court to stop us from engaging in our normal operations and activities, including making or selling our products. Such lawsuits are costly and could affect our results of operations and divert the attention of management and development personnel. There is a risk that a court could decide that we or our partners are infringing, misappropriating or otherwise violating third party patent or other intellectual property rights, which could be very costly to us and have a material adverse effect on our business.

In the pharmaceutical and life sciences industry, like other industries, it is not always clear to industry participants, including us, which patents cover various types of products or methods. The coverage of patents is subject to interpretation by the courts, and the interpretation is not always uniform. If we are sued for patent infringement, we would need to demonstrate that our products or methods do not infringe the patent claims of the relevant patent and/or that the patent claims are invalid or unenforceable, which we may not be able to do.

Because some patent applications in the U.S. may be maintained in secrecy until the patents are issued, because patent applications in the U.S. and many non-U.S. jurisdictions are typically not published until 18 months after their priority date, and because publications in the scientific literature often lag behind actual discoveries, we cannot be certain that others have not filed patent applications for inventions covered by our or our licensors' issued patents or pending applications, or that we or our licensors were the first inventors. Our competitors may have filed, and may in the future file, patent applications covering subject matter similar to ours. Any such patent application may have priority over our or our licensors' patents or applications and could further require us to obtain rights to issued patents covering such subject matter. If another party has filed a U.S. patent application on inventions similar to ours, we may have to participate in an interference proceeding declared by the USPTO to determine priority of invention in the U.S. The costs of these proceedings could be substantial, and it is possible that such efforts would be unsuccessful, resulting in a loss of our U.S. patent position with respect to such inventions. Patent interferences are limited or unavailable for patent applications filed after March 16, 2013.

Some of our competitors may be able to sustain the costs of complex patent and other intellectual property litigation more effectively than we can because they have substantially greater resources. In addition, any uncertainties resulting from the initiation and continuation of any litigation could have a material adverse effect on our ability to raise the funds necessary to continue our operations.

In September 2016, Jazz Pharmaceuticals, Inc., our wholly owned subsidiary, submitted a Citizen Petition to the FDA requesting that, for safety reasons, the FDA refuse to approve any sodium oxybate ANDA with a proposed package insert or REMS that omits the portions of the Xyrem package insert and the Xyrem REMS that instruct prescribers on adjusting the dose of the product when it is co-administered with divalproex sodium (also known as valproate or valproic acid). Our Xyrem patents include three DDI patents covering these instructions on the Xyrem package insert and Xyrem REMS. Our lawsuits against each of the Xyrem ANDA filers allege infringement of multiple patents, including the DDI patents, and seek a permanent injunction to prevent these Xyrem ANDA filers from introducing a generic version of Xyrem that would infringe our patents. In January 2017, the FDA granted the Citizen Petition with respect to the Xyrem package insert. The FDA concluded that it will not approve any sodium oxybate ANDA referencing Xyrem that does not include in its package insert the portions of the currently approved Xyrem package insert related to the DDI with divalproex sodium. We cannot predict whether a non-settling ANDA filer, or a company that files a Section 505(b)(2) application for a drug referencing Xyrem, may pursue regulatory strategies to avoid infringing our method of administration patents notwithstanding the FDA's response to the Citizen Petition, or whether any such strategy would be successful. Likewise, we cannot predict whether we will be able to maintain the validity of any of our patents or will otherwise obtain a judicial determination that a generic or other sodium oxybate product, its package insert or the generic sodium oxybate REMS or another separate REMS will infringe any of our patents or, if we prevail in proving infringement, whether a court will grant an injunction that prevents a non-settling ANDA filer or other company introducing a different sodium oxybate product from marketing its product, or instead require that party to pay damages in the form of lost profits or a reasonable royalty. For further discussion of these matters, see the risk factors under the headings "Risks Related to Xyrem and the Significant Impact of Xyrem Sales" and "Risks Related to Our Intellectual Property" in this Part II, Item 1A.

We also own method of use patents and trade secrets that cover elements of the Xyrem REMS, including patents that relate to the use of a single central pharmacy to distribute Xyrem. In July 2016, the PTAB issued final decisions that the claims of six of seven REMS patents are unpatentable. In March 2016, the PTAB partially instituted an IPR on three claims of a seventh REMS patent, declining to review 25 of 28 claims, and in March 2017, the PTAB issued a final decision that the three claims they reviewed are unpatentable. In July 2018, the Federal Circuit upheld the July 2016 and March 2017 PTAB decisions on appeal, and as a result, we will not be able to enforce claims the PTAB found unpatentable. For a description of these matters, see Note 9, Commitments and Contingencies—Legal Proceedings of the Notes to Condensed Consolidated Financial Statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q. We cannot predict whether additional post-grant patent review challenges will be filed by any of the non-settling ANDA filers or any other entity, the outcome of any future IPR

or other proceeding or the impact any IPR or other proceeding might have on ongoing ANDA litigation proceedings or other aspects of our Xyrem business.

In the FDA's letter approving the Xyrem REMS, the FDA stated that (i) the approval action should not be construed or understood as agreement with what the FDA stated was our position that dispensing through a single pharmacy is the only way to ensure that the benefits of Xyrem outweigh its risks, and that the FDA has continuing concerns that limiting the distribution of Xyrem to one pharmacy imposes burdens on patient access and the healthcare delivery system, and (ii) as with all REMS, the FDA intends to evaluate the Xyrem REMS on an ongoing basis and will require modifications as may be appropriate. We cannot predict whether the FDA will request, seek to require or ultimately require modifications to, or impose additional requirements on, the Xyrem REMS, including in connection with the submission of applications for new oxybate indications or products, or whether FDA will permit modifications to the Xyrem REMS that we consider warranted in connection with the submission of applications for new oxybate indications or products.

Any modifications required or rejected by the FDA could make it more difficult or expensive for us to distribute Xyrem, make distribution easier for sodium oxybate competitors, impair the safety profile of Xyrem, disrupt continuity of care for Xyrem patients and/or negatively affect sales of Xyrem. In particular, depending on the nature of any such modifications or additional requirements, the ability of our existing patents and other intellectual property to protect our Xyrem distribution system from sodium oxybate competitors may be reduced. In addition, the extent of protection provided by our patents and other intellectual property related to the distribution of Xyrem depends on the nature of the distribution system that may be used by any sodium oxybate competitor. If the generic sodium oxybate REMS that has been approved by the FDA in connection with its approval of West-Ward's ANDA or any other sodium oxybate REMS that may be approved by the FDA does not fall within the scope of any of the claims of our patents, those patents will not be a barrier to any non-settling ANDA filer's or other unlicensed sodium oxybate product manufacturer's entry into the market. We cannot be certain whether our existing patents, patents that may be granted in the future or other intellectual property will be construed to cover the generic sodium oxybate REMS or any other sodium oxybate REMS that may be approved by the FDA. The interpretation of intellectual property protections and the effect of these protections are extremely complex, and we cannot predict the impact of any of these matters on our business.

Risks Related to Our Industry

The regulatory approval process is expensive, time-consuming and uncertain and may prevent us or our partners from obtaining approvals for the commercialization of some or all of our product candidates.

We are not permitted to market a pharmaceutical product in the U.S. or in the EU member states until we receive approval from the FDA, the EC or the competent authorities of the EU member states, as applicable. An application for marketing approval must contain information demonstrating the quality, safety and efficacy of the pharmaceutical product, including data from preclinical and clinical trials, information pertaining to the preparation and manufacture of the API, analytical methods, product formulation, details on the manufacture and stability of the finished pharmaceutical product and proposed product packaging and labeling. Submission of an application for marketing authorization does not assure approval for marketing in any jurisdiction, and we may encounter significant difficulties or costs in our efforts to obtain approval to market products. Moreover, the redemption of a rare pediatric disease priority review voucher, or PRV, for one of our future regulatory submissions to the FDA, such as the PRV that we purchased in May 2018, may not result in faster review or approval compared to products considered for approval under conventional FDA procedures and, in any event, does not assure ultimate approval by FDA. Furthermore, any regulatory approval to market a product may be subject to limitations on the indicated uses for which we may market the product. Any such limitations could reduce the size of the market for the product.

We submitted an MAA for Vyxeos to the EMA in the fourth quarter of 2017. Although the CHMP issued a positive opinion recommending marketing authorization of Vyxeos in June 2018, we cannot predict whether we will be able to obtain approval from the EC for Vyxeos in the EU in a timely manner, or at all. Similarly, we submitted an NDA for solriamfetol to the FDA in the fourth quarter of 2017, and the FDA accepted the NDA for standard review with a target action date under PDUFA of December 20, 2018. In addition, in the second quarter of 2018, we submitted a supplemental NDA, or sNDA, for Xyrem to the FDA, and the FDA accepted the sNDA for priority review with a target action date under PDUFA of October 27, 2018. However, the FDA does not always meet its PDUFA target action dates, and if the FDA fails to meet the PDUFA target action date for our solriamfetol NDA submission or our Xyrem sNDA submission or fails to meet future PDUFA targeted action dates established for any of our product candidates, if any, the commercialization of the affected product candidate could be delayed or impaired. In any event, we cannot predict whether we will be able to obtain approval of our NDA for solriamfetol or sNDA for Xyrem in the U.S. in a timely manner, or at all. If the applicable regulatory authority for such applications determines that our quality, safety or efficacy data do not warrant marketing approval, we could be required to conduct additional clinical trials, which could be costly and time-consuming and could delay the approval of our application, or we may not be able to commercialize Vyxeos in the EU, solriamfetol in the U.S., and/or Xyrem in the U.S. for the pediatric

narcolepsy population. If we are unable to obtain regulatory approval of our product candidates, we will not be able to commercialize them and recoup our research and development costs. Any delay or failure in obtaining approval of a drug candidate, or receipt of approval for narrower indications than sought, can have a negative impact on our financial performance.

A central nervous system-acting drug such as solriamfetol may be subject to scheduling as a controlled substance under the CSA depending on the drug's potential for abuse. We expect that solriamfetol will be subject to scheduling under the CSA before it can be commercially launched. Moreover, depending on its scheduling status, the manufacture, importation, exportation, domestic distribution, storage, sale and legitimate use of solriamfetol may be subject to a significant degree of regulation by the DEA.

If the FDA, the EC or the competent authorities of the EU member states determine that a REMS or the imposition of post-marketing obligations is necessary to ensure that the benefits of the drug outweigh the risks, we may be required to include a proposed REMS as part of an NDA or BLA or to propose post-marketing obligations to be included in the marketing authorization for our products in the EU. In non-EU countries, we may also be required to include a patient package insert or a medication guide to provide information to consumers about the product's risks and benefits, a plan for communication to healthcare providers, and restrictions on the product's distribution. For example, the FDA requires a REMS for Xyrem, discussed in detail in the risk factor under the heading "*The distribution and sale of Xyrem are subject to significant regulatory oversight and restrictions and the requirements of a risk evaluation and mitigation strategy, and these restrictions and requirements, as well as the potential impact of changes to these restrictions and requirements, subject us to increased risks and uncertainties, any of which could negatively impact sales of Xyrem*" in this Part II, Item 1A, and other products that we sell are or may become subject to a REMS specific to our product or shared with other products in the same class of drug. We cannot predict the impact that any new REMS requirements applicable to any of our products would have on our business.

The FDA approved the BLA for Erwinaze in the U.S. in November 2011, subject to certain post-marketing requirements, which have been completed, and compliance with multiple post-marketing commitments, including certain commitments that must be met by the product's manufacturer with respect to product manufacturing, which are outside of our control. While activities are underway to complete the post-marketing commitments, any inability to comply with regulatory requirements, including compliance with manufacturing-related post-marketing commitments that are part of the BLA approval, as well as other requirements monitored by the FDA, could adversely affect Erwinaze supply, particularly in light of our extremely limited product inventory, and could result in FDA approval being revoked, product release being delayed resulting in product shortage or product recalls, any of which could have a material adverse effect on our sales of and revenues from Erwinaze and limit our future maintenance and potential growth of the market for this product. See also the discussion under the heading "*The loss of our single source suppliers, delays or problems in the supply of our products for commercial sale or our product candidates for use in our clinical trials, or our or our suppliers' failure to comply with manufacturing regulations, could materially and adversely affect our business, financial condition, results of operations and growth prospects*." in this Part II, Item 1A.

As another example, the marketing authorization in the EU for Defitelio requires us to comply with a number of post-marketing obligations, including obligations relating to the establishment of a patient registry to investigate the long-term safety, health outcomes and patterns of utilization of Defitelio during normal use. In January 2017, we enrolled the first patient in the Defitelio post-authorization study in the EU to provide further data on long-term safety, health outcomes and patterns of utilization of Defitelio in normal use. The FDA imposed several post-marketing commitments and requirements in connection with its approval of our NDA for Defitelio in March 2016, including the requirement that we conduct a clinical trial, or the Defitelio post-marketing trial, to analyze the safety of defibrotide versus best supportive care in the prevention of VOD in adult and pediatric patients. If we fail to complete any of these post-marketing obligations, including our failure to satisfactorily complete the Defitelio post-authorization study, the ongoing validity of the marketing authorization may be called into question, our sales of and revenues from Defitelio could be materially adversely affected and our future maintenance and potential growth of the market for this product may be limited.

A significant proportion of the regulatory framework in the UK is derived from EU laws. For that reason, the results of the formal procedure of withdrawal from the EU, initiated by the UK in March 2017, could materially change the regulatory regime applicable to our operations, including with respect to the approval of our product candidates, as there is significant uncertainty concerning the future relationship between the UK and the EU. This includes the laws and regulations that will apply as the UK determines which EU laws to replace or replicate in the event of a withdrawal. From a regulatory perspective, the UK's withdrawal could result in significant complexity and risks. A basic requirement related to the grant of a marketing authorization for a medicinal product in the EU is the requirement that the applicant is established in the EU. Following withdrawal of the UK from the EU, marketing authorizations previously granted to applicants established in the UK through the centralized, mutual recognition or decentralized procedures may no longer be valid. Moreover, depending upon the exact terms of the UK's withdrawal, there is an arguable risk that the scope of a marketing authorization for a medicinal product

granted by the EC pursuant to the centralized procedure would not, in the future, include the UK. In these circumstances, an authorization granted by the UK's competent authorities would be required to place medicinal products on the UK market.

In addition, the laws and regulations that will apply after the UK withdraws from the EU may have implications for manufacturing sites that hold certification issued by the UK competent authorities. Our capability to rely on these manufacturing sites for products intended for the EU market would also depend upon the exact terms of the UK's withdrawal.

Any such changes to the regulatory regime could have a material adverse effect on the pharmaceutical industry generally and on our ability to obtain approval for our product candidates or, if approved, to successfully commercialize our product candidates. For a further discussion, see the risks under the heading "*The results of the UK's referendum on withdrawal from the EU may have a negative effect on global economic conditions, financial markets and our business*" in this Part II, Item 1A.

Changes in healthcare law and implementing regulations, including those based on recently enacted legislation, as well as changes in healthcare policy, may impact our business in ways that we cannot currently predict, and these changes could have a material adverse effect on our business and financial condition.

The Patient Protection and Affordable Care Act, as amended by the Healthcare and Education Reconciliation Act of 2010, together, the Healthcare Reform Act, is a sweeping measure intended to expand healthcare coverage within the U.S., primarily through the imposition of health insurance mandates on employers and individuals, the provision of subsidies to eligible individuals enrolled in plans offered on the health insurance exchanges, and the expansion of the Medicaid program. This law has substantially changed the way healthcare is financed by both governmental and private insurers, and significantly impacts the pharmaceutical industry. Changes that may affect our business include those governing enrollment in federal healthcare programs, reimbursement changes, benefits for patients within a coverage gap in the Medicare Part D prescription drug program (commonly known as the "donut hole"), rules regarding prescription drug benefits under the health insurance exchanges, changes to the Medicaid Drug Rebate program, expansion of the Public Health Service's 340B drug pricing program, or the 340B program, fraud and abuse and enforcement. These changes have impacted previously existing government healthcare programs and have resulted in the development of new programs, including Medicare payment for performance initiatives and improvements to the physician quality reporting system and feedback program.

Details of the changes to the Medicaid Drug Rebate program and the 340B program are discussed in the risk factor under the heading "*If we fail to comply with our reporting and payment obligations under the Medicaid Drug Rebate program or other governmental pricing programs, we could be subject to additional reimbursement requirements, penalties, sanctions and fines, which could have a material adverse effect on our business, financial condition, results of operations and growth prospects*" in this Part II, Item 1A. Congress could enact additional legislation that further increases Medicaid drug rebates or other costs and charges associated with participating in the Medicaid Drug Rebate program. The issuance of regulations and coverage expansion by various governmental agencies relating to the Medicaid Drug Rebate program has increased and will continue to increase our costs and the complexity of compliance, has been and will be time-consuming, and could have a material adverse effect on our results of operations.

Some states have elected not to expand their Medicaid programs by raising the income limit to 133% of the federal poverty level, as is permitted under the Healthcare Reform Act. For each state that does not choose to expand its Medicaid program, there may be fewer insured patients overall, which could impact our sales, business and financial condition. Where Medicaid patients receive insurance coverage under any of the new options made available through the Healthcare Reform Act, the possibility exists that manufacturers may be required to pay Medicaid rebates on drugs used under these circumstances, a decision that could impact manufacturer revenues. In addition, there have been delays in the implementation of key provisions of the Healthcare Reform Act, including the excise tax on generous employer-based health plans. The implications of these delays for our sales, business and financial condition, if any, are not yet clear.

Moreover, additional legislative changes to or regulatory changes under the Healthcare Reform Act remain possible and appear likely. In this regard, the U.S. Tax Cuts and Jobs Act of 2017, or U.S. Tax Act, signed into law in December 2017, includes a provision repealing, effective January 1, 2019, the tax-based shared responsibility payment imposed by the Healthcare Reform Act on certain individuals who fail to maintain qualifying health coverage for all or part of a year that is commonly referred to as the "individual mandate." The nature and extent of any additional legislative or regulatory changes to the Healthcare Reform Act are uncertain at this time. We expect that the Healthcare Reform Act, as currently enacted or as it may be amended in the future, and other healthcare reform measures that may be adopted in the future could have a material adverse effect on our industry generally and on our ability to maintain or increase sales of our existing products or to successfully commercialize our product candidates, if approved. In addition to the Healthcare Reform Act, there will continue to be proposals by legislators at both the federal and state levels, regulators and third party payors to keep healthcare costs down while expanding individual healthcare benefits.

Likewise, in the countries in the EU, legislators, policymakers and healthcare insurance funds continue to propose and implement cost-containing measures to keep healthcare costs down, due in part to the attention being paid to healthcare cost containment in the EU. Certain of these changes could impose limitations on the prices we will be able to charge for our

products and any approved product candidates or the amounts of reimbursement available for these products from governmental agencies or third party payors, may increase the tax obligations on pharmaceutical companies such as ours, or may facilitate the introduction of generic competition with respect to our products. Further, an increasing number of EU member states and other foreign countries use prices for medicinal products established in other countries as "reference prices" to help determine the price of the product in their own territory. Consequently, a downward trend in prices of medicinal products in some countries could contribute to similar downward trends elsewhere. In addition, the ongoing budgetary difficulties faced by a number of EU member states, including Greece and Spain, have led and may continue to lead to substantial delays in payment and payment partially with government bonds rather than cash for medicinal drug products, which could negatively impact our revenues and profitability. Moreover, in order to obtain reimbursement for our products in some countries, including some EU member states, we may be required to conduct clinical trials that compare the cost-effectiveness of our products to other available therapies. There can be no assurance that our products will obtain favorable reimbursement status in any country.

In the U.S., to help patients afford our products, we have various programs to assist them, including patient assistance programs, a Xyrem free product voucher program and co-pay coupon programs for Xyrem and certain other products. Additionally, we make grants to independent charitable foundations that help financially needy patients with their premium, co-pay, and co-insurance obligations. Co-pay coupon programs, including our program for Xyrem, have received some negative publicity related to allegations regarding their use to promote branded pharmaceutical products over other less costly alternatives. In recent years, pharmaceutical manufacturers were named in class action lawsuits challenging the legality of their co-pay programs under a variety of federal and state laws. In addition, at least one insurer has directed its network pharmacies to no longer accept co-pay coupons for certain specialty drugs the insurer identified. Our co-pay coupon programs could become the target of similar lawsuits or insurer actions. In addition, in November 2013, the Centers for Medicare and Medicaid Services, or CMS, issued guidance to the issuers of qualified health plans sold through the Healthcare Reform Act's marketplaces encouraging such plans to reject patient cost-sharing support from third parties and indicating that CMS intends to monitor the provision of such support and may take regulatory action to limit it in the future. CMS subsequently issued a rule requiring individual market qualified health plans to accept third-party premium and cost-sharing payments from certain government-related entities. In September 2014, the Office of Inspector General, or OIG, of the U.S. Department of Health and Human Services, or HHS, issued a Special Advisory Bulletin warning manufacturers that they may be subject to sanctions under the federal anti-kickback statute and/or civil monetary penalty laws if they do not take appropriate steps to exclude Medicare Part D beneficiaries from using co-pay coupons. It is possible that changes in insurer policies regarding co-pay coupons and/or the introduction and enactment of new legislation or regulatory action could restrict or otherwise negatively affect these patient support programs, which could result in fewer patients using affected products, including Xyrem, and therefore could have a material adverse effect on our sales, business and financial condition.

Patient assistance programs that receive financial support from companies have become the subject of enhanced government and regulatory scrutiny. The OIG has established guidelines that suggest that it is lawful for pharmaceutical manufacturers to make donations to charitable organizations who provide co-pay assistance to Medicare patients, provided that such organizations, among other things, are *bona fide* charities, are entirely independent of and not controlled by the manufacturer, provide aid to applicants on a first-come basis according to consistent financial criteria, and do not link aid to use of a donor's product. If we or our vendors or donation recipients are deemed to fail to comply with relevant laws, regulations or evolving government guidance in the operation of these programs, we could be subject to damages, fines, penalties or other criminal, civil or administrative sanctions or enforcement actions. We cannot ensure that our compliance controls, policies and procedures will be sufficient to protect against acts of our employees, business partners or vendors that may violate the laws or regulations of the jurisdictions in which we operate. Regardless of whether we have complied with the law, a government investigation could impact our business practices, harm our reputation, divert the attention of management, increase our expenses and reduce the availability of foundation support for our patients who need assistance.

In May and October 2016 and February 2017, we received subpoenas from the U.S. Attorney's Office for the District of Massachusetts requesting documents related to our support of 501(c)(3) organizations that provide financial assistance to Medicare patients and documents concerning the provision of financial assistance to Medicare patients taking drugs sold by us. We have engaged with the DOJ about a possible resolution, and in the first quarter of 2018, we recorded a $57.0 million accrual related to this matter. For more information, see Note 9, Commitments and Contingencies—Legal Proceedings of the Notes to Condensed Consolidated Financial Statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q and the risk factor under the heading "*We are subject to significant ongoing regulatory obligations and oversight, which may result in significant additional expense and limit our ability to commercialize our products*" in this Part II, Item 1A.

We are subject to significant ongoing regulatory obligations and oversight, which may result in significant additional expense and limit our ability to commercialize our products.

FDA and Equivalent Non-U.S. Regulatory Authorities

We are subject to significant ongoing regulatory obligations with respect to our marketed products, such as safety reporting requirements and additional post-marketing obligations, including regulatory oversight of the promotion and marketing of our products. In addition, research, testing, manufacturing, labeling, packaging, adverse event reporting, storage, advertising, promotion, sale, distribution, record keeping, importing and exporting of our products are, and any of our product candidates that may be approved by the FDA, the EC, the competent authorities of the EU member states and other non-U.S. regulatory authorities will be, subject to extensive and ongoing regulatory requirements. These requirements apply both to us and to third parties we contract with to perform services and supply us with products. Failure by us or any of our third party partners, including suppliers, distributors and our central pharmacy for Xyrem, to comply with applicable requirements could subject us to administrative or judicial sanctions or other negative consequences, such as delays in approval or refusal to approve a product candidate, withdrawal, suspension or variation of product approval, untitled letters, warning letters, fines and other monetary penalties, unanticipated expenditures, product recall, withdrawal or seizure, total or partial suspension of production or distribution, interruption of manufacturing or clinical trials, operating restrictions, injunctions; suspension of licenses, civil penalties and/or criminal prosecution, any of which could have a significant impact on our sales, business and financial condition.

We monitor adverse events resulting from the use of our commercial products, as do the regulatory authorities, and we file periodic reports with the authorities concerning adverse events. The authorities review these events and reports, and if they determine that any events and/or reports indicate a trend or signal, they can require a change in a product label, restrict sales and marketing and/or require or conduct other actions, potentially including withdrawal or suspension of the product from the market, any of which could result in reduced market acceptance and demand for our products, could harm our reputation and our ability to market our products in the future, and could have a material adverse effect on our business, financial condition, results of operations and growth prospects.

The FDA and the competent authorities of the EU member states on behalf of the EMA also periodically inspect our records related to safety reporting. Following such inspections, the FDA may issue notices on FDA Form 483 and warning letters that could cause us to modify certain activities. The EMA's Pharmacovigilance Risk Assessment Committee may propose to the Committee for Medicinal Products for Human Use that the marketing authorization holder be required to take specific steps or advise that the existing marketing authorization be varied, suspended, or withdrawn. An FDA Form 483 notice, if issued at the conclusion of an FDA inspection, can list conditions the FDA investigators believe may have violated relevant FDA regulations or guidance. Failure to adequately and promptly correct the observation(s) can result in further regulatory enforcement action. The failure to adequately address any matters identified by the FDA or other regulatory agencies in the future could have a material adverse effect on our business, financial condition, results of operations and growth prospects. In addition, the failure by any of our suppliers to address or remediate issues observed in an inspection by a regulatory authority could result in regulatory action directed at the adequacy of our oversight of our contract suppliers, which could result in enforcement actions against us by the FDA and other regulatory entities. See the discussion regarding our contract suppliers in the risk factor under the heading "*The loss of our single source suppliers, delays or problems in the supply of our products for commercial sale or our product candidates for use in our clinical trials, or our or our suppliers' failure to comply with manufacturing regulations, could materially and adversely affect our business, financial condition, results of operations and growth prospects*" in this Part II, Item 1A.

If we receive regulatory approvals to sell our products, the FDA, the EC, the competent authorities of the EU member states and other non-U.S. regulatory authorities where our products are approved may impose significant restrictions on the indicated uses or marketing of our products, or impose requirements for burdensome post-approval clinical studies or trials. The terms of any product approval, including labeling, may be more restrictive than we desire and could affect the commercial potential of the product. If we become aware of problems with any of our products in the U.S., the EU or elsewhere in the world or at our third party suppliers' facilities, a regulatory agency may impose restrictions on our products, our suppliers, our other partners or us. In such an instance, we could experience a significant drop in the sales of the affected products, our product revenues and reputation in the marketplace may suffer, and we could become the target of lawsuits.

EU legislation related to pharmacovigilance, or the assessment and monitoring of the safety of medicinal products, provides that the EMA and the competent authorities of the EU member states have the authority to require companies to conduct additional post-authorization efficacy studies and post-authorization safety studies. The legislation also governs the obligations of marketing authorization holders with respect to additional monitoring, adverse event management and reporting. Under the legislation and its related regulations and guidelines, we may be required to conduct a labor intensive collection of data regarding the risks and benefits of marketed products and may be required to engage in ongoing assessments of those risks and benefits, including the possible requirement to conduct additional clinical studies, which may be time-consuming and

expensive and could impact our profitability. Non-compliance with such obligations can lead to the variation, suspension or withdrawal of marketing authorization or imposition of financial penalties or other enforcement measures.

The FDA approved the BLA for Erwinaze in the U.S. in November 2011, subject to certain post-marketing requirements, which have been completed, and compliance with multiple post-marketing commitments, including certain commitments that must be met by the product's manufacturer with respect to product manufacturing, which are outside of our control. While activities are underway to complete the post-marketing commitments, any inability to comply with regulatory requirements, including compliance with manufacturing-related post-marketing commitments that are part of the BLA approval, as well as other requirements monitored by the FDA, could adversely affect Erwinaze supply and could result in FDA approval being revoked or product recalls, all of which could have a material adverse effect on our sales of and revenues from Erwinaze and limit our future maintenance and potential growth of the market for this product.

The marketing authorization in the EU for Defitelio requires us to comply with a number of post-marketing obligations, including obligations relating to the establishment of a patient registry to investigate the long-term safety, health outcomes and patterns of utilization of Defitelio during normal use. In January 2017, we enrolled the first patient in the Defitelio post-authorization study in the EU to provide further data on long-term safety, health outcomes and patterns of utilization of Defitelio in normal use. The FDA imposed several post-marketing requirements and commitments in connection with its March 2016 approval of our NDA for Defitelio, including the requirement that we conduct the Defitelio post-marketing trial to analyze the safety of defibrotide versus best supportive care in the prevention of VOD in adult and pediatric patients. Additionally, the FDA imposed two post-marketing requirements in connection with its approval of our NDA for Vyxeos in August 2017, including the requirement that we conduct a safety study to characterize infusion-related reactions in patients treated with Vyxeos and a clinical trial to determine dosing to minimize toxicity in patients with moderate and severe renal impairment. If we fail to complete any of these post-marketing obligations for Defitelio or Vyxeos, including our failure to satisfactorily complete post-marketing studies and trials, the ongoing validity of the marketing authorizations may be called into question, our sales of and revenues from Defitelio and Vyxeos could be materially adversely affected and our future maintenance and potential growth of the markets for these products may be limited.

Erwinase and defibrotide are available on a named patient basis in many countries where they are not commercially available. If any such country's regulatory authorities determine that we are promoting Erwinase or defibrotide without proper authorization, we could be found to be in violation of pharmaceutical advertising laws or the regulations permitting sales under named patient programs. In that case, we may be subject to financial or other penalties.

The FDA, the competent authorities of the EU member states and other governmental authorities require advertising and promotional labeling to be truthful and not misleading, and products to be marketed only for their approved indications and in accordance with the provisions of the approved label. The FDA routinely provides its interpretations of that authority in informal communications and also in more formal communications such as untitled letters or warning letters, and although such communications may not be considered final agency decisions, companies may decide not to contest the agency's interpretations so as to avoid disputes with the FDA, even if they believe the claims to be truthful, not misleading and otherwise lawful. In recent years, certain courts have determined that the First Amendment of the U.S. Constitution permits communications regarding off-label uses of drug products, as long as such communications are truthful and not misleading. At the beginning of 2017, the FDA released proposed rule changes and draft guidance on the FDA's interpretation on the limitations of such speech. These cases and regulatory actions create additional uncertainty regarding the limits of permissible communication regarding our products.

The FDA, the competent authorities of the EU member states and other governmental authorities also actively investigate allegations of off-label promotion activities in order to enforce regulations prohibiting these types of activities. A company that is found to have promoted an approved product for off-label uses may be subject to significant liability, including civil and administrative financial penalties and other remedies as well as criminal financial penalties and other sanctions. Even when a company is not determined to have engaged in off-label promotion, the allegation from government authorities or market participants that a company has engaged in such activities could have a significant impact on the company's sales, business and financial condition. The U.S. government has also required companies to enter into complex corporate integrity agreements and/or non-prosecution agreements that impose significant reporting and other burdens on the affected companies. For all of our products, it is important that we maintain a comprehensive compliance program. Failure to maintain a comprehensive and effective compliance program, and to integrate the operations of acquired businesses into a combined comprehensive and effective compliance program on a timely basis, could subject us to a range of regulatory actions that could affect our ability to commercialize our products and could harm or prevent sales of the affected products, or could substantially increase the costs and expenses of commercializing and marketing our products.

Other U.S. Regulatory Authorities

We are also subject to regulation by other regional, national, state and local agencies, including the DEA, the DOJ, the FTC, the United States Department of Commerce, or DOC, the OIG and other regulatory bodies, as well as governmental

authorities in those non-U.S. countries in which we commercialize our products. In addition to the FDCA, other federal, state and non-U.S. statutes and regulations govern to varying degrees the research, development, manufacturing and commercial activities relating to prescription pharmaceutical products, including preclinical testing, approval, production, labeling, sale, distribution, import, export, post-market surveillance, advertising, dissemination of information, promotion, marketing, and pricing to government purchasers and government healthcare programs. Our partners, including our suppliers and distributors and the central pharmacy for Xyrem, a controlled substance under the CSA, are also subject to DEA and state regulations relating to manufacturing, storage, distribution and physician prescription procedures, including limitations on prescription refills and are required to maintain necessary DEA registrations and state licenses. The DEA periodically inspects facilities for compliance with its rules and regulations. Failure to comply with current and future regulations of the DEA, relevant state authorities or any comparable international requirements could lead to a variety of sanctions, including revocation or denial of renewal of DEA registrations, fines, injunctions, or civil or criminal penalties, could result in, among other things, additional operating costs to us or delays in shipments outside or into the U.S. and could have an adverse effect on our business and financial condition.

In addition, drug products may be subject to scheduling by the FDA as a controlled substance under the CSA, depending on the drug's potential for abuse. In this regard, we expect that solriamfetol will be subject to scheduling under the CSA before it can be commercially launched. Controlled substances that are pharmaceutical products are subject to a high degree of regulation under the CSA, which establishes, among other things, certain registration, manufacturing quotas, security, recordkeeping, reporting, import, export and other requirements administered by the DEA. The DEA classifies controlled substances into five schedules: Schedule I, II, III, IV or V. Schedule I substances by definition have a high potential for abuse, have no currently "accepted medical use" in the U.S., lack accepted safety for use under medical supervision, and may not be prescribed, marketed or sold in the U.S. Pharmaceutical products approved for use in the U.S. may be listed as Schedule II, III, IV or V, with Schedule II substances considered to present the highest potential for abuse or dependence and Schedule V substances the lowest relative risk of abuse among such substances. The DEA limits the quantity of certain Schedule I controlled substances that may be produced or procured in the U.S. in any given calendar year through a quota system. Accordingly, we require DEA quotas for Siegfried in the U.S. to manufacture sodium oxybate, a Schedule I controlled substance, and for Patheon, our U.S.-based Xyrem supplier, to procure the sodium oxybate from Siegfried in order to manufacture and supply us with Xyrem. Because the DEA typically grants quotas on an annual basis, Siegfried and Patheon are required to request and justify allocation of sufficient annual DEA quotas as well as additional DEA quotas if our commercial or clinical requirements exceed the allocated quotas throughout the year. For the last few years, our suppliers were allocated only a portion of the published annual aggregate quota for the API. If one or more ANDA filers were to begin manufacturing a generic sodium oxybate product, generic manufacturers would need to obtain a portion of the annual aggregate API quota, which could decrease the DEA quota allocation obtained on our behalf by Siegfried and Patheon. In the past, we have also had to engage in lengthy efforts to obtain the needed quotas after the original annual quotas had first been allocated. For 2017, both Siegfried and Patheon have been allocated most, but not all, of their respective requested quotas. If, in the future, our suppliers cannot obtain the quotas that are needed on a timely basis, or at all, our business, financial condition, results of operations and growth prospects could be materially and adversely affected.

The U.S. federal healthcare program anti-kickback statute prohibits, among other things, knowingly and willfully offering, paying, soliciting, or receiving remuneration to induce or in return for purchasing, leasing, ordering or arranging for or recommending the purchase, lease or order of any healthcare item or service reimbursable under Medicare, Medicaid or other federally financed healthcare programs. Liability may be established without a person or entity having actual knowledge of the federal anti-kickback statute or specific intent to violate it. This statute has been interpreted to apply to arrangements between pharmaceutical companies on one hand and Medicare patients, prescribers, purchasers and formulary managers on the other. In addition, the government may assert that a claim including items or services resulting from a violation of the federal anti-kickback statute constitutes a false or fraudulent claim for purposes of the federal civil False Claims Act. Although there are a number of statutory exemptions and regulatory safe harbors protecting certain common manufacturer business arrangements and activities from prosecution and administrative sanction, the exemptions and safe harbors are drawn narrowly, and practices or arrangements that involve remuneration may be subject to scrutiny if they do not qualify for an exemption or safe harbor. Our practices may not in all cases meet all of the criteria for safe harbor protection, and therefore would be subject to a facts and circumstances analysis to determine potential anti-kickback statute liability.

The False Claims Act prohibits, among other things, any person from knowingly presenting, or causing to be presented, a false or fraudulent claim for payment of federal funds, or knowingly making, or causing to be made, a false statement to get a false claim paid. The False Claims Act also permits a private individual acting as a "whistleblower" to bring actions on behalf of the federal government alleging violations of the statute and to share in any monetary recovery. Many pharmaceutical and other healthcare companies have been investigated or subject to lawsuits by whistleblowers and have reached substantial financial settlements with the federal government under the False Claims Act for a variety of alleged improper marketing activities, including providing free product to customers with the expectation that the customers would bill federal programs for the product; providing consulting fees, grants, free travel, and other benefits to physicians to induce them to prescribe the

company's products; and inflating prices reported to private price publication services, which are used to set drug reimbursement rates under government healthcare programs. In addition, the government and private whistleblowers have pursued False Claims Act cases against pharmaceutical companies for causing false claims to be submitted as a result of the marketing of their products for unapproved uses. Pharmaceutical and other healthcare companies also are subject to other federal false claim laws, including federal criminal healthcare fraud and false statement statutes that extend to non-government health benefit programs.

In addition, the Physician Payment Sunshine Act, or Sunshine provisions, requires us to track and report to the federal government payments and transfers of value that we make to physicians and teaching hospitals and ownership interests held by physicians and their family, and provides for public disclosures of these data. Public reporting under the Sunshine provisions has resulted in increased scrutiny of the financial relationships between industry, teaching hospitals and physicians, and such scrutiny may negatively impact our ability to engage with physicians on matters of importance to us. In addition, if the data reflected in our reports are found to be in violation of any of the Sunshine provisions or any other U.S. federal, state or local laws or regulations that may apply, or if we otherwise fail to comply with the Sunshine provisions, we may be subject to significant civil, criminal and administrative penalties, damages or fines.

The majority of states also have statutes or regulations similar to the federal anti-kickback law and false claims laws, which apply to items and services reimbursed under Medicaid and other state programs, or, in several states, apply regardless of the payor. A number of states require pharmaceutical companies to report expenses relating to the marketing and promotion of pharmaceutical products and to report gifts and payments to individual physicians in the states. Other states restrict when pharmaceutical companies may provide meals or gifts to prescribers or engage in other marketing-related activities. Other states and cities require identification or licensing of sales representatives. Other states restrict the ability of manufacturers to offer co-pay support to patients for certain prescription drugs. Still other states require the posting of information relating to clinical studies and their outcomes. In addition, California, Connecticut, Massachusetts and Nevada require pharmaceutical companies to implement compliance programs or marketing codes of conduct. Various state and federal regulatory and enforcement agencies continue to actively investigate violations of health care laws and regulations, and the U.S. Congress continues to strengthen the arsenal of enforcement tools. Most recently, the Bipartisan Budget Act of 2018 increased the criminal and civil penalties that can be imposed for violating certain federal health care laws, including the federal anti-kickback statute. Outside the U.S., we are subject to similar regulations in those countries where we market and sell products.

The OIG has established guidelines that suggest that it is lawful for pharmaceutical manufacturers to make donations to charitable organizations who provide co-pay assistance to Medicare patients, provided that such organizations, among other things, are bona fide charities, are entirely independent of and not controlled by the manufacturer, provide aid to applicants on a first-come basis according to consistent financial criteria, and do not link aid to use of a donor's product. If we or our vendors or donation recipients are deemed to fail to comply with relevant laws, regulations or evolving government guidance in the operation of these programs, such facts could be used as the basis for an enforcement action by the federal government.

In May 2016, we received a subpoena from the U.S. Attorney's Office for the District of Massachusetts requesting documents related to our support of 501(c)(3) organizations that provide financial assistance to Medicare patients, and, for Xyrem, documents concerning the provision of financial assistance to Medicare patients. In October 2016, we received a second subpoena updating and further specifying document requests regarding support to 501(c)(3) organizations that provide financial assistance to Medicare patients and the provision of financial assistance for Medicare patients taking drugs sold by us. In February 2017, we received a third subpoena requesting documents regarding our support to a specific 501(c)(3) organization that established a fund for narcolepsy patients in January 2017. Other companies have disclosed similar subpoenas and continuing inquiries.

We have been cooperating with the government's investigation, and we have engaged in discussions with the DOJ about a possible resolution. In April 2018, we reached an agreement in principle with the DOJ on a proposal for a civil settlement of potential claims by the DOJ in the amount of $57.0 million, subject to accrual of interest on the settlement amount from the date of the agreement in principle, negotiation of a definitive settlement agreement and other contingencies. Material issues remain subject to further negotiation and approval by us and the DOJ before the proposed settlement can be finalized. We cannot provide assurances that our efforts to reach a final settlement with the DOJ will be successful or, if they are, the timing or final terms of any such settlement. Any such settlement is also likely to involve entry into a corporate integrity agreement, which would impose costs and burdens on the operation of our business. If we do not reach a final settlement, the outcome of this investigation could include an enforcement action against us. If the federal government were to file an enforcement action against us as a result of the investigation and could establish the elements of a violation of relevant laws, we could be subject to damages, fines and penalties, which could be substantial, along with other criminal, civil or administrative sanctions, and we would expect to incur significant costs in connection with such enforcement action, regardless of the outcome. We are unable to predict how long this investigation will continue, whether we will receive additional subpoenas in connection with this investigation, or its outcome, but we expect that we will continue to incur significant costs in connection with the investigation, regardless of the outcome.

We may also become subject to similar investigations by other state or federal governmental agencies or offices. Any additional investigations of our patient assistance programs or other business practices may result in damages, fines, penalties or other criminal, civil or administrative sanctions or enforcement actions against us or 501(c)(3) organizations that we support. Such investigations may also result in negative publicity or other negative actions as to us or 501(c)(3) organizations that we support that could harm our reputation, impact our business practices, reduce demand for, or patient access to, our products and/or reduce coverage of our products, including by federal health care programs and state health care programs. If any or all of these events occur, our business, financial condition, results of operations and stock price could be materially and adversely affected. For more information, see Note 9, Commitments and Contingencies—Legal Proceedings of the Notes to Condensed Consolidated Financial Statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q and the risk factor under the heading "*Changes in healthcare law and implementing regulations, including those based on recently enacted legislation, as well as changes in healthcare policy, may impact our business in ways that we cannot currently predict, and these changes could have a material adverse effect on our business and financial condition*" in this Part II, Item 1A.

Other Regulatory Authorities

In the EU, the advertising and promotion of our products are subject to EU member states' laws governing promotion of medicinal products, interactions with physicians, misleading and comparative advertising and unfair commercial practices. In addition, other legislation adopted by individual EU member states may apply to the advertising and promotion of medicinal products. These laws require that promotional materials and advertising in relation to medicinal products comply with the product's Summary of Product Characteristics, or SmPC, as approved by the competent authorities. The SmPC is the document that provides information to physicians concerning the safe and effective use of the medicinal product. It forms an intrinsic and integral part of the marketing authorization granted for the medicinal product. Promotion of a medicinal product that does not comply with the SmPC is considered to constitute off-label promotion. The off-label promotion of medicinal products is prohibited in the EU. The applicable laws at EU level and in the individual EU member states also prohibit the direct-to-consumer advertising of prescription-only medicinal products. Violations of the rules governing the promotion of medicinal products in the EU could be penalized by administrative measures, fines and imprisonment. These laws may further limit or restrict the advertising and promotion of our products to the general public and may also impose limitations on our promotional activities with health care professionals.

Interactions between pharmaceutical companies and physicians are also governed by strict laws, regulations, industry self-regulation codes of conduct and physicians' codes of professional conduct in the individual EU member states. The provision of benefits or advantages to physicians to induce or encourage the prescription, recommendation, endorsement, purchase, supply, order or use of medicinal products is prohibited in the EU. The provision of benefits or advantages to physicians is also governed by the national anti-bribery laws of the EU member states. One example is the UK Bribery Act. As further discussed below, the UK Bribery Act applies to any company incorporated in or "carrying on business" in the UK, irrespective of where in the world the alleged bribery activity occurs, which could have implications for our interactions with physicians both in and outside of the UK. Violation of these laws could result in substantial fines and imprisonment. Certain EU member states, such as France, Belgium and Portugal, require that payments made to physicians be publicly disclosed. Moreover, agreements with physicians must often be the subject of prior notification and approval by the physician's employer, his/her competent professional organization, and/or the competent authorities of the individual EU member states. Failure to comply with these requirements could result in reputational risk, public reprimands, administrative penalties, fines or imprisonment.

Our business activities outside of the U.S. are subject to the U.S. Foreign Corrupt Practices Act, or FCPA, and similar anti-bribery or anti-corruption laws, regulations or rules of other countries in which we operate, including the UK Bribery Act. The FCPA and similar anti-corruption laws generally prohibit the offering, promising, giving, or authorizing others to give anything of value, either directly or indirectly, to non-U.S. government officials in order to improperly influence any act or decision, secure any other improper advantage, or obtain or retain business. The FCPA also requires public companies to make and keep books and records that accurately and fairly reflect the transactions of the company and to devise and maintain an adequate system of internal accounting controls. The UK Bribery Act prohibits giving, offering, or promising bribes to any person, including both UK and non-UK government officials and private persons, as well as requesting, agreeing to receive, or accepting bribes from any person. In addition, under the UK Bribery Act, companies which carry on a business or part of a business in the UK may be held liable for bribes given, offered or promised to any person, including non-UK government officials and private persons, in another country by employees and persons associated with the company in order to obtain or retain business or a business advantage for the company. Liability is strict, with no element of a corrupt state of mind, but having in place adequate procedures designed to prevent bribery is an available defense. Furthermore, under the UK Bribery Act there is no exception for facilitation payments. As described above, our business is heavily regulated and therefore involves significant interaction with public officials, including officials of non-U.S. governments. Additionally, in many other countries, the health care providers who prescribe pharmaceuticals are employed by their government, and the purchasers of pharmaceuticals are government entities; therefore, our dealings with these prescribers and purchasers may be subject to regulation under the FCPA. Recently the U.S. Securities and Exchange Commission, or SEC, and the DOJ have increased their

FCPA enforcement activities with respect to pharmaceutical companies. In addition, under the Dodd-Frank Wall Street Reform and Consumer Protection Act, private individuals who report to the SEC original information that leads to successful enforcement actions may be eligible for a monetary award. There is no certainty that all employees and third party business partners (including our distributors, wholesalers, agents, contractors, and other partners) will comply with anti-bribery laws. In particular, we do not control the actions of suppliers and other third party agents, although we may be liable for their actions. Violation of these laws may result in civil or criminal sanctions, which could include monetary fines, criminal penalties, and disgorgement of past profits, which could have a material adverse impact on our business and financial condition.

We are also subject to laws and regulations governing data privacy and the protection of health-related and other personal information. These laws and regulations govern our processing of personal data, including the collection, access, use, analysis, modification, storage, transfer, security breach notification, destruction and disposal of personal data. We must comply with laws and regulations associated with the international transfer of personal data based on the location in which the personal data originates and the location in which it is processed. Although there are legal mechanisms to facilitate the transfer of personal data from the European Economic Area, or EEA, and Switzerland to the U.S., the decision of the European Court of Justice that invalidated the safe harbor framework on which we previously relied has increased uncertainty around compliance with EU privacy law requirements. As a result of the decision, it was no longer possible to rely on safe harbor certification as a legal basis for the transfer of personal data from the EU to entities in the U.S. In February 2016, the EC announced an agreement with the DOC to replace the invalidated safe harbor framework with a new EU-U.S. "Privacy Shield." On July 12, 2016, the EC adopted a decision on the adequacy of the protection provided by the Privacy Shield. The Privacy Shield is intended to address the requirements set out by the European Court of Justice in its recent ruling by imposing more stringent obligations on companies, providing stronger monitoring and enforcement by the DOC and FTC and making commitments on the part of public authorities regarding access to information.

U.S.-based companies may certify compliance with the privacy principles of the Privacy Shield. Certification to the Privacy Shield, however, is not mandatory. If a U.S.-based company does not certify compliance with the Privacy Shield, it may rely on other authorized mechanisms to transfer personal data. In September 2016, we filed for certification for our U.S.-based subsidiaries under the Privacy Shield. This certification was approved in January 2017.

The privacy and data security landscape is still in flux. In October 2016, an action for annulment of the EC decision on the adequacy of Privacy Shield was brought before the European Court of Justice by three French digital rights advocacy groups, La Quadrature du Net, French Data Network and the Fédération FDN. This case, Case T-738/16, is currently pending before the European Court of Justice. Should the European Court of Justice invalidate the Privacy Shield, it will no longer be possible to transfer data from the EU to entities in the U.S. under a Privacy Shield certification, in which case other legal mechanisms would need to be put in place.

Healthcare providers who prescribe our products and research institutions that we collaborate with are subject to privacy and security requirements under the Health Insurance Portability and Accountability Act of 1996, as amended by the Health Information Technology for Economic and Clinical Health Act, or HIPAA. Although we are not directly subject to HIPAA other than with respect to providing certain employee benefits, we potentially could be subject to criminal penalties if we, our affiliates or our agents knowingly obtain or disclose individually identifiable health information maintained by a HIPAA-covered entity in a manner that is not authorized or permitted by HIPAA.

The legislative and regulatory landscape for privacy and data security continues to evolve, and there has been an increasing focus on privacy and data security issues which may affect our business. Failure to comply with current and future laws and regulations could result in government enforcement actions (including the imposition of significant penalties), criminal and civil liability for us and our officers and directors, private litigation and/or adverse publicity that negatively affects our business.

If we or our vendors fail to comply with applicable data privacy laws, or if the legal mechanisms we or our vendors rely upon to allow for the transfer of personal data from the EEA or Switzerland to the U.S. (or other countries not considered by the EC to provide an adequate level of data protection) are not considered adequate, we could be subject to government enforcement actions and significant penalties against us, and our business could be adversely impacted if our ability to transfer personal data outside of the EEA or Switzerland is restricted, which could adversely impact our operating results. The EU General Data Protection Regulation, which was effective May 25, 2018, introduced new data protection requirements in the EU relating to the consent of the individuals to whom the personal data relates, the information provided to the individuals, the documentation we must retain, the security and confidentiality of the personal data, data breach notification and the use of third party processors in connection with the processing of personal data. The EU General Data Protection Regulation has increased our responsibility and potential liability in relation to personal data that we process, and we may be required to put in place additional mechanisms to ensure compliance with the EU General Data Protection Regulation. However, our ongoing efforts related to compliance with the EU General Data Protection Regulation may not be successful and could increase our cost of doing business. In addition, data protection authorities of the different EU member states may interpret the EU General Data

Protection Regulation differently, and guidance on implementation and compliance practices are often updated or otherwise revised, which adds to the complexity of processing personal data in the EU.

The number and complexity of both U.S. federal and state laws continue to increase, and additional governmental resources are being added to enforce these laws and to prosecute companies and individuals who are believed to be violating them. In addition, we expect private plaintiffs to continue to file lawsuits against pharmaceutical manufacturers under the whistleblower provisions of the False Claims Act and state equivalents and to seek out new theories of liability under those statutes. We also expect government enforcement agencies to continue to "intervene" in private whistleblower lawsuits, effectively converting the private lawsuit into a lawsuit by the government, which typically increases the likelihood that the lawsuit will result in increased expense for the company and/or a burdensome settlement. For example, federal enforcement agencies recently have shown interest in pharmaceutical companies' product and patient assistance programs, including manufacturer reimbursement support services and relationships with specialty pharmacies. Some of these investigations have resulted in government enforcement authorities intervening in related whistleblower lawsuits and obtaining significant civil and criminal settlements. Other private whistleblowers have proceeded without government invention, causing considerable expense to targeted companies.

Recent changes in the law have reinforced and facilitated these trends. In particular, the Healthcare Reform Act includes a number of provisions aimed at strengthening the government's ability to pursue anti-kickback and false claims cases against pharmaceutical manufacturers and other healthcare entities, including substantially increased funding for healthcare fraud enforcement activities, enhanced investigative powers, and amendments to the False Claims Act that make it easier for the government and whistleblowers to pursue cases for alleged kickback and false claim violations, such as defining a "false" claim to include any claim based on a violation of the anti-kickback statute. While we cannot say with certainty what effect these changes have had or will have on our business, we anticipate that increased enforcement and litigation, including through government intervention in whistleblower lawsuits and private whistleblowers proceeding on their own, will continue for the foreseeable future. Responding to a whistleblower lawsuit, government investigation or enforcement action, defending any claims raised, and paying any resulting fines, damages, penalties or settlement amounts would be expensive and time-consuming, and could have a material adverse effect on our reputation, business, financial condition, results of operations and growth prospects.

Several aspects of our business may subject us to antitrust scrutiny by the FTC or to civil litigation alleging violation of the antitrust laws. For example, REMS and the improper use of REMS as a means of improperly blocking or delaying competition for branded pharmaceutical products have increasingly drawn public scrutiny from Congress, the FTC and the FDA. Congress, for example, has introduced proposed legislation aimed at preventing companies from using REMS and other restricted distribution programs as a means to deny potential competitors access to product samples needed for bioequivalence testing. The FDA has stated that it will seek to coordinate with the FTC in identifying and publicizing practices the FTC finds to be anticompetitive and has further stated that the FDA has concerns related to the role of REMS programs in delaying approval of generic products. It is possible that the FTC, the FDA, other governmental authorities or other third parties could claim that, or launch an investigation into whether, we are using the Xyrem REMS in an anticompetitive manner (including in light of the FDA's statement in the Xyrem REMS approval letter that the Xyrem REMS could be used in an anticompetitive manner inconsistent with applicable provisions of the FDCA) or have engaged in other anticompetitive practices. The FDCA further states that a REMS shall not be used by an NDA holder to block or delay generic drugs or drugs covered by an application under Section 505(b)(2), from entering the market. Several of the ANDA applicants have asserted that our REMS patents should not have been listed in the Orange Book, and that the Xyrem REMS is blocking competition.

Another area of potential antitrust scrutiny relates to the settlement of patent litigation with potential generic competitors. Parties to such settlement agreements in the U.S. are required by law to file the agreements with the FTC and the DOJ for review. Accordingly, we have submitted our Xyrem patent settlement agreements to the FTC and the DOJ for review. The FTC has publicly stated that, in its view, certain brand-generic settlement agreements violate the antitrust laws and has brought actions against certain branded and generic companies that have entered into such agreements. In particular, the FTC has expressed its intention to take aggressive action to challenge settlements that include an alleged transfer of value from the brand company to the generic company (so-called "pay for delay" patent litigation settlements) and to call on legislators to pass stronger laws prohibiting such settlements. Because there is currently no precise legal standard with respect to the lawfulness of such settlements, there could be extensive litigation over whether any settlement that we have entered into or might enter into in the future constitutes a reasonable and lawful patent settlement. We may receive formal or informal requests from the FTC regarding our Xyrem patent settlements, and there is a risk that the FTC may commence a formal investigation or action against us, or a third party may initiate civil litigation regarding this settlement, which could divert the attention of management and cause us to incur significant costs, regardless of the outcome. Any claim or finding that we or our business partners have failed to comply with applicable laws and regulations could be costly to us and could have a material adverse effect on our business, financial condition, results of operations and growth prospects. We cannot predict the outcome of any potential government investigation of any antitrust claims, including those described above, or the impact of any such claims.

Compliance with U.S. federal and state, EU and EU member state national laws that apply to pharmaceutical manufacturers is difficult and time-consuming, and companies that violate these laws may face substantial penalties. The potential sanctions include civil monetary penalties, exclusion of a company's products from reimbursement under government programs, criminal fines and imprisonment. Because of the breadth of these laws and, in some cases, the lack of extensive legal guidance in the form of regulations or court decisions, it is possible that some of our business activities could be subject to challenge under one or more of these laws. If we or the other parties with whom we work fail to comply with applicable regulatory requirements, we or they could be subject to a range of regulatory actions that could affect our ability to commercialize our products and could harm or prevent sales of the affected products, or could substantially increase the costs and expenses of commercializing and marketing our products. Any threatened or actual government enforcement action could also generate adverse publicity and require that we devote substantial resources that could otherwise be used in other aspects of our business.

We manufacture certain APIs, including the defibrotide drug substance, at our manufacturing facilities in Italy. In addition, we have engaged a third party supplier to process defibrotide into the finished product in Italy. Our manufacturing facilities and those of our third party manufacturer are subject to continuing regulation by the Italian Health Authority and other Italian regulatory authorities with respect to the manufacturing of APIs and drug products, including the defibrotide drug substance and its finished form. These facilities are also subject to inspection by the competent authorities of the EU member states and regulation by the EMA. Following initial approval in a jurisdiction, the competent authorities will continue to inspect our manufacturing facilities and those of our third party supplier, in some cases, unannounced, to confirm ongoing compliance with cGMP. The cGMP requirements govern quality control of the manufacturing process and documentation policies and procedures, and we and our third party suppliers will need to ensure that all of our processes, methods and equipment are compliant with cGMP. If these authorities determine that either our facilities or our third party supplier's facility in Italy do not meet the standards of compliance required under applicable regulations, they may deny approval to manufacture our products, require us to stop manufacturing our products, deny approval to the sale of our products or suspend the sale of our products.

If we fail to comply with our reporting and payment obligations under the Medicaid Drug Rebate program or other governmental pricing programs, we could be subject to additional reimbursement requirements, penalties, sanctions and fines, which could have a material adverse effect on our business, financial condition, results of operations and growth prospects.

We participate in and have certain price reporting obligations to the Medicaid Drug Rebate program, several state Medicaid supplemental rebate programs and other governmental pricing programs, and we have obligations to report average sales price under the Medicare program. Under the Medicaid Drug Rebate program, we are required to pay a rebate to each state Medicaid program for our covered outpatient drugs that are dispensed to Medicaid beneficiaries and paid for by a state Medicaid program as a condition of having federal funds being made available to the states for our drugs under Medicaid and Medicare Part B. Those rebates are based on pricing data reported by us on a monthly and quarterly basis to CMS, the federal agency that administers the Medicaid Drug Rebate program. These data include the average manufacturer price and, in the case of innovator products, the best price for each drug which, in general, represents the lowest price available from the manufacturer to any entity in the U.S. in any pricing structure, calculated to include all sales and associated rebates, discounts and other price concessions. Our failure to comply with these price reporting and rebate payment obligations could negatively impact our financial results.

The Healthcare Reform Act made significant changes to the Medicaid Drug Rebate program, such as expanding rebate liability from fee-for-service Medicaid utilization to include the utilization of Medicaid managed care organizations as well and changing the definition of average manufacturer price. The Healthcare Reform Act also increased the minimum Medicaid rebate; changed the calculation of the rebate for certain innovator products that qualify as line extensions of existing drugs; and capped the total rebate amount at 100% of the average manufacturer price. Finally, the Healthcare Reform Act requires pharmaceutical manufacturers of branded prescription drugs to pay a branded prescription drug fee to the federal government. Congress could enact additional legislation that further increases Medicaid drug rebates or other costs and charges associated with participating in the Medicaid Drug Rebate program. CMS issued a final regulation, which became effective on April 1, 2016, to implement the changes to the Medicaid Drug Rebate program under the Healthcare Reform Act. The issuance of the final regulation, as well as any other regulations and coverage expansion by various governmental agencies relating to the Medicaid Drug Rebate program, has increased and will continue to increase our costs and the complexity of compliance, has been and will continue to be time-consuming to implement, and could have a material adverse effect on our results of operations, particularly if CMS challenges the approach we take in our implementation of the final regulation.

Federal law requires that any company that participates in the Medicaid Drug Rebate program also participate in the Public Health Service's 340B program in order for federal funds to be available for the manufacturer's drugs under Medicaid and Medicare Part B. The 340B program requires participating manufacturers to agree to charge statutorily defined covered entities no more than the 340B "ceiling price" for the manufacturer's covered outpatient drugs. These 340B covered entities

include a variety of community health clinics and other entities that receive health services grants from the Public Health Service, as well as hospitals that serve a disproportionate share of low-income patients. The Healthcare Reform Act expanded the list of covered entities to include certain free-standing cancer hospitals, critical access hospitals, rural referral centers and sole community hospitals, but exempts "orphan drugs" from the ceiling price requirements for these covered entities. The 340B ceiling price is calculated using a statutory formula based on the average manufacturer price and rebate amount for the covered outpatient drug as calculated under the Medicaid Drug Rebate program, and in general, products subject to Medicaid price reporting and rebate liability are also subject to the 340B ceiling price calculation and discount requirement. Any additional future changes to the definition of average manufacturer price and the Medicaid rebate amount under the Healthcare Reform Act or otherwise could affect our 340B ceiling price calculations and negatively impact our results of operations.

As required under the Healthcare Reform Act, the Health Resources and Services Administration, or HRSA, has updated the agreement that manufacturers must sign to participate in the 340B program to obligate a manufacturer to offer the 340B price to covered entities if the manufacturer makes the drug available to any other purchaser at any price and to report to the government the ceiling prices for its drugs. The Healthcare Reform Act also obligates the Secretary of the HHS to create regulations and processes to improve the integrity of the 340B program. On January 5, 2017, HRSA issued a final regulation regarding the calculation of the 340B ceiling price and the imposition of civil monetary penalties on manufacturers that knowingly and intentionally overcharge covered entities. The effective date of the regulation has been delayed until July 1, 2019. Implementation of this final rule and the issuance of any other final regulations and guidance could affect our obligations under the 340B program in ways we cannot anticipate. In addition, legislation may be introduced that, if passed, would further expand the 340B program to additional covered entities or would require participating manufacturers to agree to provide 340B discounted pricing on drugs used in an inpatient setting.

Federal law also requires that a company that participates in the Medicaid Drug Rebate program report average sales price information each quarter to CMS for certain categories of drugs that are paid under the Medicare Part B program. Manufacturers calculate the average sales price based on a statutorily defined formula as well as regulations and interpretations of the statute by CMS. CMS uses these submissions to determine payment rates for drugs under Medicare Part B. Statutory or regulatory changes or CMS guidance could affect the average sales price calculations for our products and the resulting Medicare payment rate, and could negatively impact our results of operations.

Pricing and rebate calculations vary across products and programs, are complex, and are often subject to interpretation by us, governmental or regulatory agencies and the courts. In the case of our Medicaid pricing data, if we become aware that our reporting for a prior quarter was incorrect, or has changed as a result of recalculation of the pricing data, we are obligated to resubmit the corrected data for up to three years after those data originally were due. Such restatements and recalculations increase our costs for complying with the laws and regulations governing the Medicaid Drug Rebate program and could result in an overage or underage in our rebate liability for past quarters. Price recalculations also may affect the ceiling price at which we are required to offer our products under the 340B program.

Civil monetary penalties can be applied if we are found to have knowingly submitted any false price information to the government, if we are found to have made a misrepresentation in the reporting of our average sales price, or if we fail to submit the required price data on a timely basis. Such conduct also could be grounds for CMS to terminate our Medicaid drug rebate agreement, in which case federal payments may not be available under Medicaid or Medicare Part B for our covered outpatient drugs. We cannot assure you that our submissions will not be found by CMS to be incomplete or incorrect.

In order to be eligible to have our products paid for with federal funds under the Medicaid and Medicare Part B programs and purchased by certain federal agencies and grantees, we participate in the U.S. Department of Veterans Affairs, or VA, Federal Supply Schedule, or FSS, pricing program. As part of this program, we are obligated to make our products available for procurement on an FSS contract under which we must comply with standard government terms and conditions and charge a price that is no higher than the statutory Federal Ceiling Price, or FCP, to four federal agencies (VA, U.S. Department of Defense, or DOD, Public Health Service, and U.S. Coast Guard). The FCP is based on the Non-Federal Average Manufacturer Price, or Non-FAMP, which we calculate and report to the VA on a quarterly and annual basis. Pursuant to applicable law, knowing provision of false information in connection with a Non-FAMP filing can subject a manufacturer to civil monetary penalties. These obligations also contain extensive disclosure and certification requirements.

We also participate in the Tricare Retail Pharmacy program, under which we pay quarterly rebates on utilization of innovator products that are dispensed through the Tricare Retail Pharmacy network to Tricare beneficiaries. The rebates are calculated as the difference between the annual Non-FAMP and FCP. We are required to list our covered products on a Tricare Agreement in order for these products to be eligible for DOD formulary inclusion. If we overcharge the government in connection with our FSS contract or Tricare Agreement, whether due to a misstated FCP or otherwise, we are required to refund the difference to the government. Failure to make necessary disclosures and/or to identify contract overcharges can result in allegations against us under the False Claims Act and other laws and regulations. Unexpected refunds to the government, and responding to a government investigation or enforcement action, would be expensive and time-consuming, and could have a material adverse effect on our business, financial condition, results of operations and growth prospects.

Access and adequate reimbursement coverage may not be available for our products, which could diminish our sales or affect our ability to sell our products profitably.

In both U.S. and non-U.S. markets, our ability to successfully commercialize and achieve market acceptance of our products, and to attract commercialization partners for our products, depends in significant part on access, the availability of adequate financial coverage and reimbursement from third party payors, including governmental payors (such as the Medicare and Medicaid programs in the U.S.), managed care organizations and private health insurers. The process for determining whether a third party payor will provide coverage for a product may be separate from the process for setting the price or reimbursement rate that the payor will pay for the product once coverage is approved. Without third party payor support, patients may not be able to obtain prescribed medications due to an inability to afford the medication.

Third party payors are increasingly examining the cost effectiveness of pharmaceutical products, in addition to their safety and efficacy, when making coverage, pricing and reimbursement decisions. We may need to conduct expensive pharmacoeconomic and/or clinical studies in order to demonstrate the cost-effectiveness of our products. Even with such studies, our products may be considered less safe, less effective or less cost-effective than other products, and third party payors may not provide and maintain price approvals, coverage and reimbursement for our products. If our competitors offer their products at prices that provide lower treatment costs than our products, or otherwise suggest that their products are safer, more effective or more cost-effective than our products, this may result in a greater level of access for their products relative to our products, which would reduce our sales and harm our results of operations. In some cases, for example, third party payors try to encourage the use of less expensive generic products through their prescription benefits coverage and reimbursement and co-pay policies. Because some of our products compete in a market with both branded and generic products, obtaining and maintaining access and reimbursement coverage for our products may be more challenging than for products that are new chemical entities for which no therapeutic alternatives exist.

Third party payors' practices for establishing access and reimbursement coverage can be complex, time-consuming for patients and prescribing physicians and vary widely from payor to payor. Third party payors often require prior authorization for, and require reauthorization for continuation of, prescription products. Restrictive conditions for reimbursement and an increase in reimbursement-related activities can extend the time required to fill prescriptions and may discourage patients from seeking treatment. For example, we are experiencing increasingly restrictive conditions for reimbursement required by some third party payors for Xyrem, which may have a material effect on the overall level of reimbursement coverage for Xyrem. Increases in reimbursement-related activities have extended the time required to fill prescriptions and could continue to do so in the future. We cannot predict actions that third party payors may take, or whether they will limit the access and level of reimbursement for our products or refuse to provide any approvals or coverage. From time to time, third party payors have refused to provide reimbursement for our products, and others may do so in the future.

In addition, reimbursement guidelines and incentives provided to prescribing physicians by third party payors may have a significant impact on the prescribing physicians' willingness to prescribe our products. For example, the U.S. federal government follows a Medicare severity diagnosis-related group, or MS-DRG, payment system for certain inpatient hospital services provided under Medicare, which some states also use for Medicaid. The MS-DRG system entitles a hospital to a fixed reimbursement based on discharge diagnoses rather than actual costs incurred in providing inpatient treatment, thereby increasing the incentive for the facility to limit or control expenditures for many healthcare products. For our products used in the inpatient hospital setting, there may not be sufficient reimbursement under the MS-DRG to fully cover the cost of our products. Any failure to cover our products appropriately could impact our ability to maximize revenues in the federal marketplace. A significant portion of our revenue from Erwinaze is obtained through government payors, including Medicaid, and any failure to qualify for reimbursement for Erwinaze under those programs, including as a result of legislative changes to these programs, would have a material adverse effect on revenues from Erwinaze.

Third party payors are also increasingly considering new metrics as the basis for reimbursement rates, such as average net sales price, average manufacturer price and actual acquisition cost. Certain states have begun to survey acquisition cost data for the purpose of setting Medicaid reimbursement rates. CMS surveys and publishes retail community pharmacy acquisition cost information in the form of National Average Drug Acquisition Cost files to provide state Medicaid agencies with a basis of comparison for their own reimbursement and pricing methodologies and rates. It may be difficult to project the impact of these evolving reimbursement mechanics on the willingness of payors, including government payors, to cover our products.

Increasing consolidation among third party payors has led to fewer and larger third party payors with increased negotiating power. In particular, a small number of third party payors cover a significant portion of Xyrem patients. As a result, we may experience increasing pressure from third party payors to agree to discounts, rebates or other restrictive pricing terms for Xyrem. In the retail pharmacy sector, in which we expect that sales of an approved solriamfetol product would occur, a small number of third party payors and other third-party organizations known as pharmacy benefit managers, or PBMs, tasked with administrating prescription drug programs for large employers, health plans and government programs have market power and negotiating leverage to limit coverage to specific products on an approved list, or formulary, which might not include all of the approved products for a particular indication, and to exclude drugs from their formularies in favor of

competitor drugs or alternative treatments, and/or to mandate stricter utilization criteria. Formulary exclusion effectively encourages patients and providers to seek alternative treatments or pay 100% of the cost of a drug. In the retail sector, if approved by the FDA, solriamfetol may face such conditions following its commercial launch, which could impact our other products. In highly competitive treatment markets, third party payors and PBMs may also exert negotiating leverage by requiring incremental rebates from manufacturers in order to maintain their formulary position.

If solriamfetol is approved by the FDA, the product will enter a competitive retail market of branded and generic products. Any delays or unforeseen difficulties in obtaining access or reimbursement approvals could delay or prevent our commercial launch and our ability to receive a return on our investment in solriamfetol. As part of the overall trend toward cost containment, third party payors could choose to require patients to try alternative, including generic, treatments before authorizing payment for solriamfetol, exclude solriamfetol from formulary coverage lists, limit the types of diagnoses for which coverage will be provided or demand rebates, discounts, exclusivity, or other concessions for solriamfetol and potentially our other products. We cannot predict market acceptance of, and our ability to obtain favorable formulary positions, access and reimbursement coverage for, solriamfetol. If we are unsuccessful in obtaining broad coverage for solriamfetol, our anticipated revenue from and growth prospects for an approved solriamfetol product could be negatively affected.

Political, economic and regulatory influences are subjecting the healthcare industry in the U.S. to fundamental changes, and we expect there will continue to be legislative and regulatory proposals to change the healthcare system in ways that could impact our ability to sell our products profitably. Several states have recently passed laws aimed at increasing transparency relating to drug pricing, and other states may do so in the future. We anticipate that the U.S. Congress, state legislatures and the private sector will continue to consider and may adopt healthcare policies and reforms intended to curb healthcare costs, particularly given the current atmosphere of mounting criticism of prescription drug costs in the U.S. These cost containment measures may include federal and state controls on government-funded reimbursement for drugs; new or increased requirements to pay prescription drug rebates to government health care programs; additional pharmaceutical cost transparency bills that aim to require drug companies to justify their prices through required disclosures; controls on healthcare providers; challenges to the pricing of drugs, or limits or prohibitions on reimbursement for specific products through other means; requirements to try less expensive products or generics before a more expensive branded product; changes in drug importation laws; expansion of use of managed care systems in which healthcare providers contract to provide comprehensive healthcare for a fixed cost per person; and public funding for cost effectiveness research, which may be used by government and private third party payors to make coverage and payment decisions.

Much attention has been paid to legislation proposing federal rebates on Medicare Part D and Medicare Advantage utilization for drugs issued to certain groups of lower income beneficiaries and the desire to change the provisions that treat these dual-eligible patients differently from traditional Medicare patients. Any such changes could have a negative impact on revenues from sales of our products. Beginning April 1, 2013, Medicare payments for all items and services, including drugs and biologics, were reduced by 2% under the sequestration (i.e., automatic spending reductions) required by the Budget Control Act of 2011, as amended by the American Taxpayer Relief Act of 2012. Subsequent legislation extended the 2% reduction, on average, to 2027. These cuts reduce reimbursement payments related to our products, which could potentially negatively impact our revenue. Any failure to cover our products appropriately, in addition to legislative and regulatory changes and others that may occur in the future, could impact our ability to maximize revenues in the federal marketplace. A significant portion of our revenue from Erwinaze is obtained through government payors, including Medicaid, and any failure to qualify for reimbursement for Erwinaze under those programs, including as a result of legislative changes to these programs, would have a material adverse effect on revenues from Erwinaze. There also continue to be legislative proposals to amend U.S. laws to allow the importation into the U.S. of prescription drugs, which can be sold at prices that are regulated by the governments of various non-U.S. countries. The potential importation of prescription drugs could pose significant safety concerns for patients, increase the risk of counterfeit products becoming available in the market, and could also have a negative impact on prescription drug prices in the U.S.

If healthcare policies or reforms intended to curb healthcare costs are adopted or if we experience negative publicity with respect to pricing of our products or the pricing of pharmaceutical drugs generally, the prices that we charge for our products, including Xyrem, may be limited, our commercial opportunity may be limited and/or our revenues from sales of our products may be negatively impacted. We have periodically increased the price of Xyrem, most recently in January 2018, and we have made and may in the future make similar price increases on our other products. We cannot assure you that such price adjustments will not negatively affect our reputation and our ability to secure and maintain reimbursement coverage for our products, which could negatively impact our sales volumes and revenue. We expect to continue to experience pricing pressure in the U.S. in connection with the sale of our products due to third party payer actions, the increasing influence of health maintenance organizations, PBMs and managed healthcare generally, additional legislative proposals to curb healthcare costs and negative publicity regarding pricing and price increases generally, which could limit the prices that we charge for our products, including Xyrem, limit the commercial opportunities for our products and/or negatively impact revenues from sales of our products.

If we become the subject of any government investigation with respect to our drug pricing or other business practices, including as they relate to the Xyrem REMS, we could incur significant expense and could be distracted from operation of our business and execution of our strategy. Any such investigation could also result in reduced market acceptance and demand for our products, could harm our reputation and our ability to market our products in the future, and could have a material adverse effect on our business, financial condition, results of operations and growth prospects. In May and October 2016 and February 2017, we received subpoenas from the U.S. Attorney's Office for the District of Massachusetts requesting documents related to our support of 501(c)(3) organizations that provide financial assistance to Medicare patients and documents concerning the provision of financial assistance to Medicare patients taking drugs sold by us. For more information, see Note 9, Commitments and Contingencies—Legal Proceedings of the Notes to Condensed Consolidated Financial Statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q and the risk factors under the headings "*Changes in healthcare law and implementing regulations, including those based on recently enacted legislation, as well as changes in healthcare policy, may impact our business in ways that we cannot currently predict, and these changes could have a material adverse effect on our business and financial condition*" and "*We are subject to significant ongoing regulatory obligations and oversight, which may result in significant additional expense and limit our ability to commercialize our products*" in this Part II, Item 1A.

In many countries outside the U.S., procedures to obtain price approvals, coverage and reimbursement can take considerable time after the receipt of marketing approval. The process of maintaining pricing and reimbursement approvals is complex and varies from country to country. Many European countries periodically review their reimbursement of medicinal products, which could have an adverse impact on the reimbursement status of Defitelio. We cannot predict the outcome of any periodic reviews required to maintain pricing and reimbursement approvals across Europe. If we are unable to maintain favorable pricing and reimbursement approvals in countries that represent significant markets, especially where a country's reimbursed price influences other countries, our anticipated revenue from and growth prospects for Defitelio in the EU could be negatively affected. In addition, we submitted an MAA to the EMA for Vyxeos in the fourth quarter of 2017, and in June 2018, the CHMP issued a positive opinion recommending marketing authorization of Vyxeos. If Vyxeos is approved by the EC, we will need to make pricing and reimbursement submissions in the EU member states before the launch of the medicinal product. If we experience delays or unforeseen difficulties in obtaining favorable pricing and reimbursement approvals, planned launches in the affected EU member states would be delayed, which could negatively impact anticipated revenue from Vyxeos. If we are unable to obtain favorable pricing and reimbursement approvals in the EU member states that represent significant potential markets, our anticipated revenue from and growth prospects for Vyxeos in the EU could be negatively affected.

In various EU member states, we expect to be subject to continuous cost-cutting measures, such as lower maximum prices, lower or lack of reimbursement coverage and incentives to use cheaper, usually generic, products as an alternative. Health Technology Assessment, or HTA, of medicinal products is becoming an increasingly common part of the pricing and reimbursement procedures in some EU member states. These EU member states include the UK, France, Germany, Ireland, Italy, Spain, and Sweden. The HTA process, which is governed by the national laws of these countries, is the procedure according to which the assessment of the public health impact, therapeutic impact and the economic and societal impact of use of a given medicinal product in the national healthcare systems of the individual country is conducted. HTA generally focuses on the clinical efficacy and effectiveness, safety, cost, and cost-effectiveness of individual medicinal products, as well as their potential implications for the healthcare system. Those elements of medicinal products are compared with other treatment options available on the market. The outcome of HTA regarding specific medicinal products will often influence the pricing and reimbursement status granted to these medicinal products by the competent authorities of individual EU member states. Pursuant to Directive 2011/24/EU, a voluntary network of national authorities or bodies responsible for HTA in the individual EU member states was established. The purpose of the network is to facilitate and support the exchange of scientific information concerning HTAs. This could lead to harmonization between EU member states of the criteria taken into account in the conduct of HTA and their impact on pricing and reimbursement decisions. The extent to which pricing and reimbursement decisions are influenced by the HTA of the specific medicinal product, however, still vary between EU member states and cannot be determined or anticipated in relation to our products at the present time. If we are unable to ultimately obtain favorable pricing and reimbursement approvals in countries that represent significant markets, especially where a country's reimbursed price influences other countries, our growth prospects in Europe could be negatively affected.

In the EU, our products are marketed through various channels and within different legal frameworks. In certain EU member states, reimbursement for unauthorized products may be provided through national named patient programs. Such reimbursement may no longer be available if authorization for named patient programs expire or are terminated or when marketing authorization is granted. In other EU member states, authorization and reimbursement policies may also delay commercialization of our products, or may adversely affect our ability to sell our products on a profitable basis. After initial price and reimbursement approvals, reductions in prices and changes in reimbursement levels can be triggered by multiple factors, including reference pricing systems and publication of discounts by third party payors or authorities in other countries. In the EU, prices can be reduced further by parallel distribution and parallel trade, or arbitrage between low-priced and high-priced member states. Any cost containment measures, including those listed above, or other healthcare system reforms that are adopted, could negatively affect our growth prospects in Europe.

We are unable to predict what additional legislation, regulations or policies, if any, relating to the healthcare industry or third party coverage and reimbursement may be enacted in the future or what effect such legislation, regulations or policies would have on our business. Moreover, we cannot be sure that third party payor reimbursement amounts, or the lack of reimbursement, will not reduce the demand for, or the price of, our products. If reimbursement is not available or is available only at limited levels, we may not be able to effectively commercialize our products. Our business could be materially harmed if the Medicaid program, Medicare program or other third party payors in the U.S. or elsewhere were to deny reimbursement for our products, limit the indications for which our products will be reimbursed, or provide reimbursement only on unfavorable terms. Sales of our products depend on the availability and extent of access and reimbursement coverage from third party payors, but pricing and reimbursement pressures due to increasing media and government scrutiny of drug costs may affect our profitability.

Product liability and product recalls could harm our business.

The development, manufacture, testing, marketing and sale of pharmaceutical products are associated with significant risks of product liability claims or recalls. Side effects or adverse events known or reported to be associated with, or manufacturing defects in, the products sold by us could exacerbate a patient's condition, or could result in serious injury or impairments or even death. This could result in product liability claims and/or recalls of one or more of our products. Some of our products, including Xyrem and Prialt, have boxed warnings in their labels. In addition, in the EU, Defitelio's label includes an inverted black triangle that indicates the product is subject to additional monitoring to permit quick identification of new safety information, as a condition of authorization of Defitelio under "exceptional circumstances." In many countries, including in EU member states, national laws provide for strict (no-fault) liability which applies even where damages are caused both by a defect in a product and by the act or omission of a third party.

Product liability claims may be brought by individuals seeking relief for themselves or by groups seeking to represent a class of injured patients. Further, third party payors, either individually or as a putative class, may bring actions seeking to recover monies spent on one of our products. The risk of product liability claims may also increase if a company receives a warning letter from a regulatory agency. Product liability claims are an inherent risk in our business, but we cannot predict the frequency, outcome or cost to defend any such claims.

Product liability insurance coverage is expensive, can be difficult to obtain and may not be available in the future on acceptable terms, or at all. Our product liability insurance may not cover all of the future liabilities we might incur in connection with the development, manufacture or sale of our products. In addition, we may not continue to be able to obtain insurance on satisfactory terms or in adequate amounts.

A successful claim or claims brought against us in excess of available insurance coverage could subject us to significant liabilities and could have a material adverse effect on our business, financial condition, results of operations and growth prospects. Such claims could also harm our reputation and the reputation of our products, adversely affecting our ability to market our products successfully. In addition, defending a product liability lawsuit is expensive and can divert the attention of key employees from operating our business.

Product recalls may be issued at our discretion or at the discretion of our suppliers, government agencies and other entities that have regulatory authority for pharmaceutical sales. Any recall of our products could materially adversely affect our business by rendering us unable to sell that product for some time and by adversely affecting our reputation. A recall could also result in product liability claims by individuals and third party payors. In addition, product liability claims could result in an investigation of the safety or efficacy of our products, our manufacturing processes and facilities, or our marketing programs conducted by the FDA, the EMA, or the competent authorities of the EU member states. Such investigations could also potentially lead to a recall of our products or more serious enforcement actions, limitations on the therapeutic indications for which they may be used, or suspension, variation, or withdrawal of approval. Any such regulatory action by the FDA, the EC or the competent authorities of the EU member states could lead to product liability lawsuits as well.

We use hazardous materials in our manufacturing facilities, and any claims relating to the improper handling, storage, release or disposal of these materials could be time-consuming and expensive.

Our operations are subject to complex and increasingly stringent environmental, health and safety laws and regulations in the countries where we operate and, in particular, in Italy and Ireland where we have manufacturing facilities. Environmental and health and safety authorities in the relevant jurisdictions administer laws governing, among other matters, the emission of pollutants into the air (including the workplace), the discharge of pollutants into bodies of water, the storage, use, handling and disposal of hazardous substances, the exposure of persons to hazardous substances, and the general health, safety and welfare of employees and members of the public. In certain cases, laws may impose strict liability for pollution of the environment and contamination resulting from spills, disposals or other releases of hazardous substances or waste or any migration of such hazardous substances or waste. Costs, damages and/or fines may result from the presence, investigation and remediation of such contamination at properties currently or formerly owned, leased or operated by us or at off-site locations, including where we have arranged for the disposal of hazardous substances or waste. In addition, we may be subject to third party claims,

including for natural resource damages, personal injury and property damage, in connection with such contamination. Our manufacturing activities in Italy and Ireland involve the controlled storage, use and disposal of chemicals and solvents. Even if our safety procedures for handling and disposing of these hazardous materials comply with the standards prescribed by EU laws, we cannot completely eliminate the risk of contamination or injury from hazardous materials. If an accident occurs, an injured party could seek to hold us liable for any damages that result and any liability could exceed the limits or fall outside the coverage of our insurance. We may not be able to maintain insurance on acceptable terms, or at all. We may incur significant costs to comply with current or future EU environmental laws.

Risks Related to Our Financial Condition and Results

We have incurred substantial debt, which could impair our flexibility and access to capital and adversely affect our financial position.

As of June 30, 2018, we had total indebtedness of approximately $1.8 billion, which included $667.7 million in outstanding term loan indebtedness under a secured credit agreement that we entered into in June 2015, subsequently amended in July 2016 and in June 2018, which we refer to as the amended credit agreement, $575.0 million of outstanding indebtedness under our 1.875% exchangeable senior notes due 2021, or the 2021 Notes, which were issued in August 2014, and $575.0 million of outstanding indebtedness under our 1.50% exchangeable senior notes due 2024, or the 2024 Notes, which were issued in August 2017 and which we refer to, together with the 2021 Notes, as the Exchangeable Senior Notes.

Our debt may:

- limit our ability to borrow additional funds for working capital, capital expenditures, acquisitions or other general business purposes;
- limit our ability to use our cash flow or obtain additional financing for working capital, capital expenditures, acquisitions or other general business purposes;
- require us to use a substantial portion of our cash flow from operations to make debt service payments;
- limit our flexibility to plan for, or react to, changes in our business and industry;
- result in dilution to our existing shareholders in the event exchanges of the Exchangeable Senior Notes are settled in our ordinary shares;
- place us at a competitive disadvantage compared to our less leveraged competitors; and
- increase our vulnerability to the impact of adverse economic and industry conditions.

Our ability to meet our debt service obligations will depend on our future performance, which will be subject to financial, business and other factors affecting our operations, many of which are beyond our control. If we do not have sufficient funds to meet our debt service obligations, we may be required to refinance or restructure all or part of our existing debt, sell assets, borrow more money or sell securities, none of which we can assure you that we would be able to do in a timely manner, or at all.

Covenants in our amended credit agreement restrict our business and operations in many ways and if we do not effectively manage our covenants, our financial conditions and results of operations could be adversely affected.

The amended credit agreement provides for a $667.7 million principal amount term loan due in June 2023 and a $1.60 billion revolving credit facility, with any loans under such revolving credit facility due in June 2023, subject to early mandatory repayments under certain circumstances. The amended credit agreement contains various covenants that, among other things, limit our ability and/or our restricted subsidiaries' ability to:

- incur or assume liens or additional debt or provide guarantees in respect of obligations of other persons;
- issue redeemable preferred stock;
- pay dividends or distributions or redeem or repurchase capital stock;
- prepay, redeem or repurchase certain debt;
- make loans, investments, acquisitions (including acquisitions of exclusive licenses) and capital expenditures;
- enter into agreements that restrict distributions from our subsidiaries;
- sell assets and capital stock of our subsidiaries;
- enter into certain transactions with affiliates; and
- consolidate or merge with or into, or sell substantially all of our assets to, another person.

The amended credit agreement also includes financial covenants that require us to maintain a maximum secured leverage ratio and a minimum interest coverage ratio. Our ability to comply with these financial covenants may be affected by events beyond our control. In addition, the covenants under the amended credit agreement could restrict our operations, particularly our ability to respond to changes in our business or to take specified actions to take advantage of certain business opportunities that may be presented to us. Our failure to comply with any of the covenants could result in a default under the amended credit

agreement, which could permit the lenders to declare all or part of any outstanding borrowings to be immediately due and payable, or to refuse to permit additional borrowings under the revolving credit facility. A default under the amended credit agreement could also lead to a default under other debt agreements or obligations, including the indentures governing the Exchangeable Senior Notes.

In addition, the holders of the Exchangeable Senior Notes have the ability to require us to repurchase their notes for cash if we undergo certain fundamental changes, such as specified change of control transactions, our liquidation or dissolution, or the delisting of our ordinary shares from The Nasdaq Global Select Market. Moreover, upon exchange of the Exchangeable Senior Notes, unless we elect to cause to be delivered solely ordinary shares to settle such exchange, we will be required to make cash payments in respect of the Exchangeable Senior Notes being exchanged. In this regard, it is our intent and policy to settle the principal amount of the Exchangeable Senior Notes in cash upon exchange. However, we may not have enough available cash or be able to obtain financing at the time we are required to make any required repurchases of surrendered Exchangeable Senior Notes or to pay cash upon exchanges of the Exchangeable Senior Notes. Our failure to repurchase the Exchangeable Senior Notes at a time when the repurchase is required by the indentures governing the Exchangeable Senior Notes or to pay any cash payable on future exchanges of the Exchangeable Senior Notes as required by the indentures governing the Exchangeable Senior Notes would constitute a default under that indenture. A default under those indentures could also lead to a default under other debt agreements or obligations, including the amended credit agreement. If the repayment of the related indebtedness were to be accelerated, we may not have sufficient funds to repay the related indebtedness, which could have a material adverse effect on our financial condition and our business. In this regard, if we are unable to repay amounts under the amended credit agreement, the lenders under the amended credit agreement could proceed against the collateral granted to them to secure that debt, which would seriously harm our business.

We may not be able to generate sufficient cash to service our debt obligations.

Our ability to make payments on and to refinance our debt will depend on our future financial and operating performance, which is subject to prevailing economic and competitive conditions and to certain financial, business and other factors beyond our control. We may be unable to maintain a level of positive cash flows from operating activities sufficient to permit us to pay the principal and interest on our debt.

If our cash flows and capital resources are insufficient to fund our debt service obligations, we may be forced to reduce or delay investments and capital expenditures, seek additional capital or restructure or refinance our debt. These alternative measures may not be successful and may not permit us to meet our scheduled debt service obligations. In the absence of such cash flows and resources, we could face substantial liquidity problems and might be required to dispose of material assets or operations to meet our debt service and other obligations. The amended credit agreement restricts our ability to dispose of assets, use the proceeds from any disposition of assets and refinance our indebtedness. We may not be able to consummate or obtain proceeds from such dispositions, and any such proceeds may not be adequate to meet any debt service obligations then due.

In addition, our borrowings under the amended credit agreement are, and are expected to continue to be, at variable rates of interest and expose us to interest rate risk. If interest rates increase, our debt service obligations on the variable rate indebtedness would increase even if the amount borrowed remained the same, and our net income would decrease.

To continue to grow our business, we will need to commit substantial resources, which could result in future losses or otherwise limit our opportunities or affect our ability to operate our business.

The scope of our business and operations has grown substantially since 2012 through a series of transactions, including the business combination between Jazz Pharmaceuticals, Inc. and Azur Pharma Public Limited Company, which we refer to as the Azur Merger, our acquisition of EUSA Pharma Inc., the Gentium Acquisition and the Celator Acquisition. To continue to grow our business over the longer term, we will need to commit substantial additional resources to our business and execution of our strategy. Our ongoing capital requirements will depend on many factors, including:

- the revenues from our commercial products, which may be affected by many factors, including the extent of generic or other competition for Xyrem or our other products;
- the cost of acquiring and/or in-licensing any new products and product candidates;
- the costs of our commercial operations;
- the scope, rate of progress, results and costs of our development and clinical activities;
- the cost and timing of obtaining regulatory approvals and of compliance with laws and regulations;
- the cost of preparing, filing, prosecuting, defending and enforcing patent claims and other intellectual property rights;
- the cost of investigations, litigation and/or settlements related to regulatory oversight and third party claims;
- the costs of integration activities related to any future strategic transactions we may engage in; and
- the costs arising from changes in laws and regulations, including, for example, healthcare reform legislation.

Our strategy includes the expansion of our business through the acquisition or in-licensing and development of additional marketed products or product candidates that are in late-stage development. We cannot assure you that we will continue to identify attractive opportunities. Even if appropriate opportunities are available, in order to compete successfully to acquire attractive products or product candidates in the current business climate, we may have to pay higher prices for assets than may have been paid historically, and we may not have the financial resources necessary to pursue them. As a result, we may be unable to expand our business if we do not have sufficient capital or cannot borrow or raise additional capital on attractive terms. Our substantial indebtedness may limit our ability to borrow additional funds for acquisitions or to use our cash flow or obtain additional financing for future acquisitions. In addition, if we use a substantial amount of our funds to acquire or in-license products or product candidates, we may not have sufficient additional funds to conduct all of our operations in the manner we would otherwise choose.

We may not be able to access the capital and credit markets on terms that are favorable to us, or at all.

During the past several years, domestic and international financial markets have experienced extreme disruption from time to time, including, among other things, high volatility and significant variability in stock prices, which has caused uncertainty with regard to credit availability for many borrowers. We expect to opportunistically seek access to the capital and credit markets to supplement our existing cash balances, cash we expect to generate from operations and funds available under our revolving credit facility to satisfy our needs for working capital, capital expenditures and debt service requirements or to continue to grow our business over the longer term through product acquisition and in-licensing, product development and clinical trials of product candidates, and expansion of our commercial operations. In the event of adverse capital and credit market conditions, including as a result of the UK's withdrawal from the EU or as a result of tariffs and other trade restrictions potentially contributing to instability in the global financial markets, we may not be able to obtain capital market financing or credit on favorable terms, or at all, which could have a material adverse effect on our business and growth prospects. Changes in our credit ratings issued by nationally recognized credit rating agencies could also adversely affect our cost of financing and have an adverse effect on the market price of our securities.

We may not be able to successfully maintain our tax rates, which could adversely affect our business and financial condition, results of operations and growth prospects.

We are incorporated in Ireland and maintain subsidiaries in North America and a number of other foreign jurisdictions. As a result, our effective tax rate is derived from a combination of applicable tax rates in the various jurisdictions where we operate. We are able to achieve a low average tax rate through the performance of certain functions and ownership of certain assets in tax-efficient jurisdictions, together with intra-group service and transfer pricing agreements, each on an arm's length basis. However, changes in tax laws in any of these jurisdictions could adversely affect our ability to do so in the future. Taxing authorities, such as the U.S. Internal Revenue Service, or the IRS, actively audit and otherwise challenge these types of arrangements, and have done so in the pharmaceutical industry. We are subject to reviews and audits by the IRS and other taxing authorities from time to time, and the IRS or other taxing authority may challenge our structure and transfer pricing arrangements through an audit or lawsuit. For example, in December 2015, we received proposed tax assessment notices from the French tax authorities for 2012 and 2013 relating to certain transfer pricing adjustments. The notices propose additional taxes of approximately $45 million, including interest and penalties, through the date of the assessment translated at the foreign exchange rate at June 30, 2018. Responding to or defending against this and other challenges from taxing authorities could be expensive and consume time and other resources, and divert management's time and focus from operating our business. We generally cannot predict whether taxing authorities will conduct an audit or file a lawsuit challenging our structure, the cost involved in responding to any such audit or lawsuit, or the outcome. If we are unsuccessful, we may be required to pay taxes for prior periods, interest, fines or penalties, and may be obligated to pay increased taxes in the future, any of which could require us to reduce our operating expenses, decrease efforts in support of our products or seek to raise additional funds. Any of these actions could have a material adverse effect on our business, financial condition, results of operations and growth prospects.

In addition, on December 22, 2017, the U.S. Tax Act was signed into law. The legislation significantly changes U.S. tax law by, among other things, lowering the corporate income tax rate from a maximum of 35% to a flat 21%, implementing a modified territorial tax system, imposing a one-time transition tax on deemed repatriated earnings of foreign subsidiaries and changing the rules which determine whether a foreign corporation is treated for U.S. tax purposes as a controlled foreign corporation, or CFC, for 2017 and onwards. Notwithstanding the reduction in the corporate income tax rate, the overall impact of the new federal tax law is uncertain and our business and financial condition could be adversely affected. In addition, it is uncertain if and to what extent various states will conform to the newly enacted federal tax law. The impact of this tax reform on holders of our ordinary shares is also uncertain and could be adverse. Among other things, changes to the rules for determining CFC status could have an adverse effect on U.S. persons who are treated as owning (directly or indirectly) at least 10% of the value or voting power of our shares. Investors should consult their own advisers regarding the potential application of these rules to their investments in us.

The IRS may not agree with the conclusion that we should be treated as a foreign corporation for U.S. federal tax purposes.

Although we are incorporated in Ireland, the IRS may assert that we should be treated as a U.S. corporation (and, therefore, a U.S. tax resident) for U.S. federal tax purposes pursuant to Section 7874 of the U.S. Internal Revenue Code, or the Code. For U.S. federal tax purposes, a corporation generally is considered a tax resident in the jurisdiction of its organization or incorporation. Because we are an Irish incorporated entity, we would be classified as a foreign corporation (and, therefore, a non-U.S. tax resident) under these rules. Section 7874 of the Code provides an exception under which a foreign incorporated entity may, in certain circumstances, be treated as a U.S. corporation for U.S. federal tax purposes. Because we indirectly acquired all of Jazz Pharmaceuticals, Inc.'s assets through the acquisition of the shares of Jazz Pharmaceuticals, Inc. common stock in the Azur Merger, the IRS could assert that we should be treated as a U.S. corporation for U.S. federal tax purposes under Section 7874. For us to be treated as a foreign corporation for U.S. federal tax purposes under Section 7874 of the Code, either (1) the former stockholders of Jazz Pharmaceuticals, Inc. must have owned (within the meaning of Section 7874 of the Code) less than 80% (by both vote and value) of our ordinary shares by reason of holding shares in Jazz Pharmaceuticals, Inc. after the Azur Merger (the "ownership test"), or (2) we must have substantial business activities in Ireland after the Azur Merger (taking into account the activities of our expanded affiliated group). The Jazz Pharmaceuticals, Inc. stockholders owned less than 80% of our share capital immediately after the Azur Merger by reason of their ownership of shares of Jazz Pharmaceuticals, Inc. common stock. As a result, we believe that we should be treated as a foreign corporation for U.S. federal tax purposes under current law. It is possible that the IRS could disagree with the position that the ownership test is satisfied and assert that Section 7874 of the Code applies to treat us as a U.S. corporation following the Azur Merger. There is limited guidance regarding the Code Section 7874 provisions, including the application of the ownership test described above. The IRS continues to scrutinize transactions that are potentially subject to Section 7874, and has issued several sets of final and temporary regulations under Section 7874 since 2012. Most recently, in July 2018, the IRS issued regulations under Section 7874 that finalized, with few changes, guidance that the IRS had previously issued in temporary form in 2016. We do not expect these regulations to affect the U.S. tax consequences of the Azur Merger. Nevertheless, new statutory and/or regulatory provisions under Section 7874 of the Code or otherwise could be enacted that adversely affect our status as a foreign corporation for U.S. federal tax purposes, and any such provisions could have retroactive application to us, Jazz Pharmaceuticals, Inc., our respective shareholders and/or the Azur Merger. For more information, see the risk factor under the heading "*Future changes to the tax laws under which we expect to be treated as a foreign corporation for U.S. federal tax purposes or to other tax laws relating to multinational corporations could adversely affect us,*" in this Part II, Item 1A.

Section 7874 of the Code limits our U.S. affiliates' ability to utilize their U.S. tax attributes to offset certain U.S. taxable income, if any, generated by certain taxable transactions.

Following certain acquisitions of a U.S. corporation by a foreign corporation, Section 7874 of the Code can limit the ability of the acquired U.S. corporation and its U.S. affiliates to utilize U.S. tax attributes such as net operating losses, or NOLs, to offset U.S. taxable income resulting from certain transactions. Based on the limited guidance available, this limitation applies to us. As a result, after the Azur Merger, our U.S. affiliates have not been able and will continue to be unable, for a period of time, to utilize their U.S. tax attributes to offset their U.S. taxable income, if any, resulting from certain taxable transactions. Notwithstanding this limitation, we plan to fully utilize our U.S. affiliates' U.S. NOLs prior to their expiration. As a result of this limitation, however, it may take our U.S. affiliates longer to use their NOLs. Moreover, contrary to these plans, it is possible that the limitation under Section 7874 of the Code on the utilization of U.S. tax attributes could prevent our U.S. affiliates from fully utilizing their U.S. tax attributes prior to their expiration if our U.S. affiliates do not generate sufficient taxable income.

Our U.S. affiliates' ability to use their net operating losses to offset potential taxable income and related income taxes that would otherwise be due could be subject to further limitations if we do not generate taxable income in a timely manner or if the "ownership change" provisions of Sections 382 and 383 of the Code result in further annual limitations.

Our U.S. affiliates have a significant amount of NOLs. Our ability to use these NOLs to offset potential future taxable income and related income taxes that would otherwise be due is dependent upon our generation of future taxable income before the expiration dates of the NOLs, and we cannot predict with certainty when, or whether, our U.S. affiliates will generate sufficient taxable income to use all of the NOLs. Under the newly enacted U.S. Tax Act, federal NOLs incurred in 2018 and in future years may be carried forward indefinitely, but the deductibility of such federal NOLs is limited. It is uncertain if and to what extent various states will conform to the newly enacted federal tax law. In addition, realization of NOLs to offset potential future taxable income and related income taxes that would otherwise be due is subject to annual limitations under the "ownership change" provisions of Sections 382 and 383 of the Code and similar state provisions, which may result in the expiration of additional NOLs before future utilization. In general, an "ownership change" occurs if, during a three-year rolling period, there is a change of 50% or more in the percentage ownership of a company by 5% shareholders (and certain persons treated as 5% shareholders), as defined in the Code and the U.S. Treasury Department regulations, or Treasury Regulations, promulgated thereunder. In this regard, we currently estimate that, as a result of these ownership change provisions, we have

an annual limitation on the utilization of certain NOLs and credits of $411.2 million, before tax effect, for 2018, $30.7 million, before tax effect, for 2019 and a combined total of $311.0 million, before tax effect, for 2020 to 2032.

However, Sections 382 and 383 of the Code are extremely complex provisions with respect to which there are many uncertainties, and we have not requested a ruling from the IRS to confirm our analysis of the ownership change limitations related to the NOLs generated by our U.S. affiliates. Therefore, we have not established whether the IRS would agree with our analysis regarding the application of Sections 382 and 383 of the Code. If the IRS were to disagree with our analysis, or if our U.S. affiliates were to experience additional ownership changes in the future, we could be subject to further annual limitations on the use of the NOLs to offset potential taxable income and related income taxes that would otherwise be due.

Future changes to the tax laws under which we expect to be treated as a foreign corporation for U.S. federal tax purposes or to other tax laws relating to multinational corporations could adversely affect us.

As described above, under current law, we believe that we should be treated as a foreign corporation for U.S. federal tax purposes. However, changes to the Code or the Treasury Regulations or other IRS guidance promulgated thereunder, including under Section 7874 of the Code, could adversely affect our status as a foreign corporation for U.S. federal tax purposes or could otherwise affect our effective tax rate, and any such changes could have prospective or retroactive application. Any future tax reform related to U.S. corporate tax residence, if enacted, could adversely affect our effective tax rate and our results of operations and financial condition.

The U.S. Congress, the EU, the Organization for Economic Co-operation and Development, or OECD, and other government agencies in jurisdictions where we and our affiliates do business have also had an extended focus on issues related to the taxation of multinational corporations. One example is the OECD's initiative in the area of "base erosion and profit shifting," where payments are made between affiliates from a jurisdiction with high tax rates to a jurisdiction with lower tax rates. Some countries are beginning to implement legislation and other guidance to align their international tax rules with the OECD's recommendations. As a result of the focus on the taxation of multinational corporations, the tax laws in Ireland, the U.S. and other countries in which we and our affiliates do business could change on a prospective or retroactive basis, and any such changes could adversely affect us.

We have significant intangible assets and goodwill. Consequently, the future impairment of our intangible assets and goodwill may significantly impact our profitability.

Our intangible assets and goodwill are significant. As of June 30, 2018, we had recorded $3.8 billion of intangible assets and goodwill related to our past acquisitions. Intangible assets and goodwill are subject to an impairment analysis whenever events or changes in circumstances indicate the carrying amount of the asset may not be recoverable. For example, in connection with entry into an asset purchase agreement in June 2018 to sell substantially all of the assets held by us related to Prialt, we recognized an impairment charge of $42.9 million in our condensed consolidated statements of income for the three and six months ended June 30, 2018, primarily related to the carrying balances of intangible assets. Additionally, goodwill and indefinite-lived assets are subject to an impairment test at least annually.

Events giving rise to impairment are an inherent risk in the pharmaceutical industry and cannot be predicted. Our results of operations and financial position in future periods could be negatively impacted should future impairments of intangible assets or goodwill occur.

Our financial results have been and may continue to be adversely affected by foreign currency exchange rate fluctuations.

We have significant operations in Europe as well as in the U.S., but we report revenues, costs and earnings in U.S. dollars. Our primary currency translation exposure relates to our subsidiaries that have functional currencies denominated in the euro. Exchange rates between the U.S. dollar and the euro have fluctuated and are likely to continue to fluctuate from period to period. Because our financial results are reported in U.S. dollars, we are exposed to foreign currency exchange risk as the functional currency financial statements of non-U.S. subsidiaries are translated to U.S. dollars for reporting purposes. To the extent that revenue and expense transactions are not denominated in the functional currency, we are also subject to the risk of transaction losses. For example, because our Defitelio and Erwinase product sales outside of the U.S. and potential future sales of Vyxeos are or will be primarily denominated in the euro, our sales of those products have been and may continue to be adversely affected by fluctuations in foreign currency exchange rates. In this regard, when the U.S. dollar strengthens against a foreign currency, the relative value of sales made in the foreign currency decreases. Conversely, when the U.S. dollar weakens against a foreign currency, the relative value of such sales increases. Accordingly, increases in the value of the U.S. dollar relative to foreign currencies, primarily the euro, could adversely affect our foreign revenues, perhaps significantly. In addition, as we continue to expand our international operations, we will conduct more transactions in currencies other than the U.S. dollar, which could increase our foreign currency exchange risk. Given the volatility of exchange rates, as well as our expanding operations, we cannot assure you that we will be able to effectively manage currency transaction and/or translation risks. We use foreign exchange forward contracts to manage currency risk primarily related to certain intercompany balances denominated in non-functional currencies. These foreign exchange forward contracts are not designated as hedges. Gains and losses on these derivative instruments are designed to offset gains and losses on the underlying balance sheet

exposures. Fluctuations in foreign currency exchange rates could have a material adverse effect on our results of operations and financial condition.

Risks Related to Our Ordinary Shares

The market price of our ordinary shares has been volatile and may continue to be volatile in the future, and the value of your investment could decline significantly.

The market price for our ordinary shares has fluctuated significantly from time to time, for example, varying between a high of $184.00 on June 20, 2018 and a low of $128.58 on November 7, 2017 during the period from June 30, 2017 through June 30, 2018. The market price of our ordinary shares is likely to continue to be volatile and subject to significant price and volume fluctuations in response to market, industry and other factors, including the risk factors described above. The stock market in general, including the market for life sciences companies, has experienced extreme price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of those companies. In particular, negative publicity regarding pricing and price increases by pharmaceutical companies has negatively impacted, and may continue to negatively impact, the market for life sciences companies. These broad market and industry factors have harmed, and in the future may seriously harm, the market price of our ordinary shares, regardless of our operating performance.

Our share price may be dependent upon the valuations and recommendations of the analysts who cover our business. If our results do not meet these analysts' forecasts, the expectations of our investors or the financial guidance we provide to investors in any period, the market price of our ordinary shares could decline. Our ability to meet analysts' forecasts, investors' expectations and our financial guidance is substantially dependent on our ability to maintain or increase sales of Xyrem, Defitelio and Vyxeos. In addition, we will need to minimize future supply disruptions of Erwinaze in order to meet revenue expectations for Erwinaze. The risks and uncertainties associated with our ability to maintain or increase sales of Xyrem, Erwinaze, Defitelio and Vyxeos include those discussed elsewhere in these risk factors. In the past, following periods of volatility in the market or significant price decline, securities class-action litigation has often been instituted against companies. Such litigation, if instituted against us, could result in substantial costs and diversion of management's attention and resources, which could materially and adversely affect our business, financial condition, results of operations and growth prospects.

In addition, the market price of our ordinary shares may decline if the effects of our transactions, including the Celator Acquisition and/or potential future acquisitions, on our financial or operating results are not consistent with the expectations of financial analysts or investors. The market price of our ordinary shares could also be affected by possible sales of our ordinary shares by holders of the Exchangeable Senior Notes who may view the Exchangeable Senior Notes as a more attractive means of equity participation in our company and by hedging or arbitrage trading activity involving our ordinary shares by the holders of the Exchangeable Senior Notes.

Future sales of our ordinary shares in the public market could cause our share price to fall.

Sales of a substantial number of our ordinary shares in the public market, including sales by members of our management or board of directors, or the perception that these sales might occur, could depress the market price of our ordinary shares and could impair our ability to raise capital through the sale of additional equity or equity-related securities. As of July 31, 2018, we had 60,409,148 ordinary shares outstanding, all of which shares are eligible for sale in the public market, subject in some cases to the volume limitations and manner of sale and other requirements under Rule 144. In addition, future issuances by us of our ordinary shares upon the exercise or settlement of equity-based awards and exchanges of the Exchangeable Senior Notes would dilute existing shareholders' ownership interests in our company, and any sales in the public market of these ordinary shares, or the perception that these sales might occur, could also adversely affect the market price of our ordinary shares.

Moreover, we have in the past and may in the future grant rights to some of our shareholders that require us to register the resale of our ordinary shares on behalf of these shareholders and/or facilitate offerings of ordinary shares held by these shareholders, including in connection with potential future acquisitions of additional products, product candidates or companies. We have also filed registration statements to register the sale of our ordinary shares reserved for issuance under our equity incentive and employee stock purchase plans, and we intend to file additional registration statements to register any shares automatically added each year to the share reserves under these plans.

We are subject to Irish law, which differs from the laws in effect in the U.S. and may afford less protection to holders of our securities.

It may not be possible to enforce court judgments obtained in the U.S. against us in Ireland based on the civil liability provisions of the U.S. federal or state securities laws. In addition, there is some uncertainty as to whether the courts of Ireland would recognize or enforce judgments of U.S. courts obtained against us or our directors or officers based on the civil liability provisions of the U.S. federal or state securities laws or hear actions against us or those persons based on those laws. We have been advised that the U.S. currently does not have a treaty with Ireland providing for the reciprocal recognition and

enforcement of judgments in civil and commercial matters. Therefore, a final judgment for the payment of money rendered by any U.S. federal or state court based on civil liability, whether or not based solely on U.S. federal or state securities laws, would not automatically be enforceable in Ireland.

As an Irish company, we are governed by the Irish Companies Act 2014, which differs in some material respects from laws generally applicable to U.S. corporations and shareholders, including, among others, differences relating to interested director and officer transactions and shareholder lawsuits. Likewise, the duties of directors and officers of an Irish company are generally owed to the company only. Shareholders of Irish companies generally do not have a personal right of action against directors or officers of the company and may exercise such rights of action on behalf of the company only in limited circumstances. Accordingly, holders of our securities may have more difficulty protecting their interests than would holders of securities of a corporation incorporated in a U.S. jurisdiction.

Our articles of association, Irish law and the indentures governing the Exchangeable Senior Notes contain provisions that could delay or prevent a takeover of us by a third party.

Our articles of association could delay, defer or prevent a third party from acquiring us, despite the possible benefit to our shareholders, or otherwise adversely affect the price of our ordinary shares. For example, our articles of association:

- impose advance notice requirements for shareholder proposals and nominations of directors to be considered at shareholder meetings;
- stagger the terms of our board of directors into three classes;
- require the approval of a supermajority of the voting power of the shares of our share capital entitled to vote generally at a meeting of shareholders to amend or repeal our articles of association; and
- permit our board of directors to issue one or more series of preferred shares with rights and preferences, as our shareholders may determine by ordinary resolution.

In addition to our articles of association, several mandatory provisions of Irish law could prevent or delay an acquisition of us. For example, Irish law does not permit shareholders of an Irish public limited company to take action by written consent with less than unanimous consent, and the shareholder approval requirements for certain types of transactions differ from those in the U.S., and in some cases are greater, under Irish law. We are also subject to various provisions of Irish law relating to mandatory bids, voluntary bids, requirements to make a cash offer and minimum price requirements, as well as substantial acquisition rules and rules requiring the disclosure of interests in our shares in certain circumstances. Furthermore, the indentures governing the Exchangeable Senior Notes require us to repurchase the Exchangeable Senior Notes for cash if we undergo certain fundamental changes and, in certain circumstances, to increase the exchange rate for a holder of 2021 Notes or 2024 Notes. A takeover of us may trigger the requirement that we purchase the Exchangeable Senior Notes and/or increase the exchange rate, which could make it more costly for a potential acquiror to engage in a business combination transaction with us.

These provisions, whether alone or together, may discourage potential takeover attempts, discourage bids for our ordinary shares at a premium over the market price or adversely affect the market price of, and the voting and other rights of the holders of, our ordinary shares. These provisions, whether alone or together, could also discourage proxy contests and make it more difficult for our shareholders to elect directors other than the candidates nominated by our board.

We have never declared or paid dividends on our capital stock and we do not anticipate paying dividends in the foreseeable future.

Other than funds we have allocated for the purposes of supporting our share repurchase program authorized in November 2016, we anticipate that we will retain all earnings, if any, to support our operations and our proprietary drug development programs, acquire or in-license additional products and product candidates, and pursue other opportunities. If we propose to pay dividends in the future, we must do so in accordance with Irish law, which provides that distributions including dividend payments, share repurchases and redemptions be funded from "distributable reserves." In addition, our ability to pay cash dividends on or repurchase our ordinary shares is restricted under the terms of the amended credit agreement. Any future determination as to the payment of dividends will, subject to Irish legal requirements, be at the sole discretion of our board of directors and will depend on our financial condition, results of operations, capital requirements, compliance with the terms of the amended credit agreement and other factors our board of directors deems relevant. Accordingly, holders of our ordinary shares must rely on increases in the trading price of their shares for returns on their investment in the foreseeable future.

A transfer of our ordinary shares may be subject to Irish stamp duty.

In certain circumstances, the transfer of shares in an Irish incorporated company will be subject to Irish stamp duty, which is a legal obligation of the buyer. This duty is currently charged at the rate of 1.0% of the price paid or the market value of the shares acquired, if higher. Because our ordinary shares are traded on a recognized stock exchange in the U.S., an exemption from this stamp duty is available in respect of transfers by shareholders who hold our ordinary shares beneficially through brokers which in turn hold those shares through the Depository Trust Company, or DTC, to holders who also hold

through DTC. However, a transfer by or to a record holder who holds our ordinary shares directly in his, her or its own name could be subject to this stamp duty. We, in our absolute discretion and insofar as the Irish Companies Act 2014 or any other applicable law permits, may, or may provide that a subsidiary of ours will, pay Irish stamp duty arising on a transfer of our ordinary shares on behalf of the transferee of such ordinary shares. If stamp duty resulting from the transfer of our ordinary shares which would otherwise be payable by the transferee is paid by us or any of our subsidiaries on behalf of the transferee, then in those circumstances, we will, on our behalf or on behalf of our subsidiary (as the case may be), be entitled to (i) seek reimbursement of the stamp duty from the transferee, (ii) set-off the stamp duty against any dividends payable to the transferee of those ordinary shares and (iii) claim a first and permanent lien on the ordinary shares on which stamp duty has been paid by us or our subsidiary for the amount of stamp duty paid. Our lien shall extend to all dividends paid on those ordinary shares.

Dividends paid by us may be subject to Irish dividend withholding tax.

In certain circumstances, as an Irish tax resident company, we will be required to deduct Irish dividend withholding tax (currently at the rate of 20%) from dividends paid to our shareholders. Shareholders that are resident in the U.S., EU countries (other than Ireland) or other countries with which Ireland has signed a tax treaty (whether the treaty has been ratified or not) generally should not be subject to Irish dividend withholding tax so long as the shareholder has provided its broker, for onward transmission to our qualifying intermediary or other designated agent (in the case of shares held beneficially), or us or our transfer agent (in the case of shares held directly), with all the necessary documentation by the appropriate due date prior to payment of the dividend. However, some shareholders may be subject to withholding tax, which could adversely affect the price of our ordinary shares.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Issuer Purchases of Equity Securities

The following table summarizes purchases of our ordinary shares made by or on behalf of us or any of our "affiliated purchasers" as defined in Rule 10b-18(a)(3) under the Securities Exchange Act of 1934, as amended, during each fiscal month during the three-month period ended June 30, 2018:

	Total Number of Shares Purchased (1)	Average Price Paid per Share (2)	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs (3)	Maximum Number (or Approximate Dollar Value) of Shares that May Yet Be Purchased Under the Plans or Programs (4)
April 1 - April 30, 2018	68,000	$ 153.27	68,000	$ 137,777,717
May 1 - May 31, 2018	61,000	$ 157.61	61,000	$ 128,164,458
June 1 - June 30, 2018	5,804	$ 168.50	5,804	$ 127,186,612
Total	134,804	$ 155.89	134,804	

(1) This table does not include ordinary shares that we withheld in order to satisfy minimum tax withholding requirements in connection with the vesting and release of restricted stock units.

(2) Average price paid per ordinary share includes brokerage commissions.

(3) The ordinary shares reported in the table above were purchased pursuant to our publicly announced share repurchase program. In November 2016, we announced that our board of directors authorized the use of up to $300 million to repurchase our ordinary shares. This authorization has no expiration date.

(4) The dollar amount shown represents, as of the end of each period, the approximate dollar value of ordinary shares that may yet be purchased under our publicly announced share repurchase program, exclusive of any brokerage commissions. The timing and amount of repurchases will depend on a variety of factors, including the price of our ordinary shares, alternative investment opportunities, restrictions under our credit agreement, corporate and regulatory requirements and market conditions, and may be modified, suspended or otherwise discontinued at any time without prior notice.

Item 5. Other Information

Results of Matters Presented at the 2018 Annual General Meeting of Shareholders

On August 2, 2018, we held our 2018 annual general meeting of shareholders, or the annual meeting, at our corporate headquarters in Dublin, Ireland. At the annual meeting, our shareholders voted on four proposals, each of which is described in more detail in our definitive proxy statement on Schedule 14A as filed with the SEC on June 15, 2018, or the Proxy Statement. The results of the matters presented at the annual meeting, based on the presence in person or by proxy of holders of 55,289,395 of the 60,286,730 ordinary shares entitled to vote, are described below.

Proposal 1

Proposal 1 was to elect by separate resolutions each of the four nominees for director named below to hold office until our 2021 annual general meeting of shareholders. Each of the four nominees for director was elected as follows:

Director Nominees	For	Against	Abstain	Broker Non-Votes
Peter Gray	51,090,035	531,529	172,706	3,495,125
Kenneth W. O'Keefe	51,099,617	521,947	172,706	3,495,125
Elmar Schnee	50,276,178	1,341,956	176,136	3,495,125
Catherine A. Sohn, Pharm.D.	50,316,790	1,305,548	171,932	3,495,125

Proposal 2

Proposal 2 was to ratify, on a non-binding advisory basis, the appointment of KPMG, Dublin as the independent auditors of the company for the fiscal year ending December 31, 2018 and to authorize, in a binding vote, the board of directors, acting through the audit committee, to determine the auditors' remuneration. This proposal was approved as follows:

For	Against	Abstain	Broker Non-Votes
54,811,307	302,582	175,506	—

Proposal 3

Proposal 3 was to approve, on an advisory basis, the compensation of our named executive officers as disclosed in the Proxy Statement. This proposal was approved as follows:

For	Against	Abstain	Broker Non-Votes
47,619,924	3,995,033	179,313	3,495,125

Proposal 4

Proposal 4 was to indicate, on non-binding advisory basis, the preferred frequency of the advisory vote on the compensation of our named executive officers. This proposal was approved as follows:

1 Year	2 Years	3 Years	Abstain	Broker Non-Votes
51,160,371	116,514	349,716	167,669	3,495,125

Based on our board of directors' recommendation in the Proxy Statement, the voting results on Proposal 4 and its consideration of the appropriate voting frequency for our company at this time, our board of directors determined that we will hold an advisory vote on the compensation of our named executive officers every year.

Item 6. Exhibits

Exhibit Number	Description of Document
2.1	Agreement and Plan of Merger and Reorganization, dated as of September 19, 2011, by and among Azur Pharma Limited (now Jazz Pharmaceuticals plc), Jaguar Merger Sub Inc., Jazz Pharmaceuticals, Inc. and Seamus Mulligan, solely in his capacity as the Indemnitors' Representative (incorporated herein by reference to Exhibit 2.1 in Jazz Pharmaceuticals, Inc.'s Current Report on Form 8-K (File No. 001-33500) filed with the SEC on September 19, 2011).
2.2	Letter Agreement, dated as of January 17, 2012, by and among Jazz Pharmaceuticals plc, Jaguar Merger Sub Inc., Jazz Pharmaceuticals, Inc. and Seamus Mulligan, solely in his capacity as the Indemnitors' Representative (incorporated by reference to Exhibit 2.2 in Jazz Pharmaceuticals plc's Current Report on Form 8-K (File No. 001-33500), as filed with the SEC on January 18, 2012).
2.3	Agreement and Plan of Merger, dated as of April 26, 2012, by and among Jazz Pharmaceuticals plc, Jewel Merger Sub Inc., EUSA Pharma Inc., and Essex Woodlands Health Ventures, Inc., Mayflower L.P., and Bryan Morton, in their capacity as the representatives of the equity holders of EUSA Pharma Inc. (incorporated herein by reference to Exhibit 2.1 in Jazz Pharmaceuticals plc's Current Report on Form 8-K (File No. 001-33500), as filed with the SEC on April 27, 2012).
2.4	Assignment, dated as of June 11, 2012, by and among Jazz Pharmaceuticals plc and Jazz Pharmaceuticals, Inc. (incorporated herein by reference to Exhibit 2.1B in Jazz Pharmaceuticals plc's Current Report on Form 8-K (File No. 001-33500), as filed with the SEC on June 12, 2012).
2.5	Tender Offer Agreement, dated December 19, 2013, by and among Jazz Pharmaceuticals Public Limited Company, Jazz Pharmaceuticals Italy S.r.l. and Gentium S.p.A. (incorporated herein by reference to Exhibit 2.1 in Jazz Pharmaceuticals plc's Current Report on Form 8-K/A (File No. 001-33500), as filed with the SEC on December 20, 2013).
2.6†	Asset Purchase Agreement, dated January 13, 2014, by and among Jazz Pharmaceuticals International III Limited, Aerial BioPharma, LLC and Jazz Pharmaceuticals plc (incorporated herein by reference to Exhibit 2.1 in Jazz Pharmaceuticals plc's Current Report on Form 8-K (File No. 001-33500), as filed with the SEC on January 13, 2014).
2.7†	Assignment Agreement, dated July 1, 2014, by and among Jazz Pharmaceuticals International II Limited, Sigma-Tau Pharmaceuticals, Inc., Jazz Pharmaceuticals plc and Gentium S.p.A. (incorporated herein by reference to Exhibit 2.1 in Jazz Pharmaceuticals plc's Current Report on Form 8-K (File No. 001-33500), as filed with the SEC on August 5, 2014).
2.8	Amended and Restated Agreement for the Acquisition of the Topaz Portfolio Business of Jazz Pharmaceuticals plc, dated March 20, 2015, between Jazz Pharmaceuticals plc and Essex Bidco Limited (incorporated herein by reference to Exhibit 2.1 in Jazz Pharmaceuticals plc's Current Report on Form 8-K (File No. 001-33500), as filed with the SEC on March 23, 2015).
2.9	Agreement and Plan of Merger, dated as of May 27, 2016, by and among Jazz Pharmaceuticals plc, Plex Merger Sub, Inc., and Celator Pharmaceuticals, Inc. (incorporated herein by reference to Exhibit 2.1 in Jazz Pharmaceuticals plc's Current Report on Form 8-K (File No. 001-33500), as filed with the SEC on May 31, 2016).
3.1	Amended and Restated Memorandum and Articles of Association of Jazz Pharmaceuticals plc, as amended on August 4, 2016 (incorporated herein by reference to Exhibit 3.1 in Jazz Pharmaceuticals plc's Quarterly Report on Form 10-Q (File No. 001-33500) for the period ended June 30, 2016, as filed with the SEC on August 9, 2016).
4.1	Reference is made to Exhibit 3.1.
4.2	Rights Agreement, dated as of April 5, 2017, by and between Jazz Pharmaceuticals plc and Computershare Trust Company, N.A., which includes the Form of Ownership Statement as Exhibit A and the Summary of Rights to Purchase Ordinary Shares as Exhibit B (incorporated herein by reference to Exhibit 4.1 in Jazz Pharmaceuticals plc's Current Report on Form 8-K (File No. 001-33500), as filed with the SEC on April 5, 2017).
4.3A	Investor Rights Agreement, dated July 7, 2009, by and between Jazz Pharmaceuticals, Inc. and the other parties named therein (incorporated herein by reference to Exhibit 10.88 in Jazz Pharmaceuticals, Inc.'s Current Report on Form 8-K (File No. 001-33500), as filed with the SEC on July 7, 2009).
4.3B	Assignment, Assumption and Amendment Agreement, dated as of January 18, 2012, by and among Jazz Pharmaceuticals, Inc., Jazz Pharmaceuticals plc and the other parties named therein (incorporated herein by reference to Exhibit 4.7B in the Annual Report on Form 10-K (File No. 001-33500) for the year ended December 31, 2011, as filed by Jazz Pharmaceuticals plc on behalf of and as successor to Jazz Pharmaceuticals, Inc. with the SEC on February 28, 2012).
4.4A	Indenture, dated as of August 13, 2014, by and among Jazz Pharmaceuticals plc, Jazz Investments I Limited and U.S. Bank National Association (incorporated herein by reference to Exhibit 4.1 in Jazz Pharmaceuticals plc's Current Report on Form 8-K (File No. 001-33500), as filed with the SEC on August 13, 2014).

4.4B	Form of 1.875% Exchangeable Senior Note due 2021 (incorporated herein by reference to Exhibit 4.1 in Jazz Pharmaceuticals plc's Current Report on Form 8-K (File No. 001-33500), as filed with the SEC on August 13, 2014).
4.5A	Indenture, dated as of August 23, 2017, among Jazz Pharmaceuticals Public Limited Company, Jazz Investments I Limited and U.S. Bank National Association (incorporated herein by reference to Exhibit 4.1 in Jazz Pharmaceuticals plc's Current Report on Form 8-K (File No. 001-033500), as filed with the SEC on August 23, 2017).
4.5B	Form of 1.50% Exchangeable Senior Note due 2024 (incorporated herein by reference to Exhibit 4.2 in Jazz Pharmaceuticals plc's Current Report on Form 8-K (File No. 001-033500), as filed with the SEC on August 23, 2017).
10.1+	Amended and Restated Non-Employee Director Compensation Policy (approved May 3, 2018).
10.2+	Form of Non-U.S. Option Grant Notice and Non-U.S. Option Agreement under the Jazz Pharmaceuticals plc Amended and Restated 2011 Equity Incentive Plan.
10.3+	Form of Non-U.S. Restricted Stock Unit Award Grant Notice and Non-U.S. Restricted Stock Unit Award Agreement under the Jazz Pharmaceuticals plc Amended and Restated 2011 Equity Incentive Plan.
10.4	Amendment No. 2, dated as of June 7, 2018, to Credit Agreement, dated as of June 18, 2015 (as previously amended by Amendment No. 1, dated as of July 12, 2016), among Jazz Pharmaceuticals plc, Jazz Securities Designated Activity Company, Jazz Pharmaceuticals, Inc., Jazz Financing I Designated Activity Company, Jazz Pharmaceuticals Ireland Limited, the lenders party thereto and Bank of America, N.A., as Collateral Agent, Administrative Agent, Swing Line Lender and L/C Issuer.
10.5	First Amendment, dated as of January 29, 2018, to Commercial Lease, dated as of January 7, 2015, by and between The Board of Trustees of the Leland Stanford Junior University and Jazz Pharmaceuticals, Inc.
10.6	First Amendment, dated as of January 29, 2018, to Commercial Lease, dated as of September 28, 2017, by and between The Board of Trustees of the Leland Stanford Junior University and Jazz Pharmaceuticals, Inc.
31.1	Certification of Chief Executive Officer pursuant to Rules 13a-14(a) and 15d-14(a) promulgated under the Securities Exchange Act of 1934, as amended.
31.2	Certification of Chief Financial Officer pursuant to Rules 13a-14(a) and 15d-14(a) promulgated under the Securities Exchange Act of 1934, as amended.
32.1*	Certifications of Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Labels Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document

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+ Indicates management contract or compensatory plan.

† Confidential treatment has been granted for portions of this exhibit. Omitted portions have been filed separately with the SEC.

* The certifications attached as Exhibit 32.1 accompany this Quarterly Report on Form 10-Q pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, and shall not be deemed "filed" by the Registrant for purposes of Section 18 of the Securities Exchange Act of 1934, as amended.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Date: August 7, 2018

JAZZ PHARMACEUTICALS PUBLIC LIMITED COMPANY
(Registrant)

/s/ Bruce C. Cozadd

Bruce C. Cozadd

Chairman and Chief Executive Officer and Director
(Principal Executive Officer)

/s/ Matthew P. Young

Matthew P. Young

Executive Vice President and Chief Financial Officer
(Principal Financial Officer)

/s/ Karen J. Wilson

Karen J. Wilson

Senior Vice President, Finance
(Principal Accounting Officer)

Exhibit 10.1

JAZZ PHARMACEUTICALS PLC

NON-EMPLOYEE DIRECTOR COMPENSATION POLICY

Non-employee members of the board of directors (the "***Board***") of Jazz Pharmaceuticals plc (the "***Company***") shall be eligible to receive cash and equity compensation as set forth in this Non-Employee Director Compensation Policy (this "***Policy***"). The cash compensation and equity grants described in this Policy shall be paid or be made, as applicable, automatically and without further action of the Board, to each member of the Board who is not an employee of the Company or any parent or subsidiary of the Company (each, a "***Non-Employee Director***") who may be eligible to receive such cash compensation or equity grants, unless such Non-Employee Director declines the receipt of such cash compensation or equity grants by written notice to the Company. This Policy shall remain in effect until it is revised or rescinded by further action of the Board.

1. Cash Compensation.

(a) Subject to Section 1(b) below, each Non-Employee Director shall be eligible to receive an annual retainer of $60,000 for service on the Board. In addition, a Non-Employee Director serving as:

i. lead independent director of the Board shall be eligible to receive an additional annual retainer of $50,000 for such service;

ii. chairperson of the Audit Committee shall be eligible to receive an additional annual retainer of $25,000 for such service;

iii. members (other than the chairperson) of the Audit Committee shall be eligible to receive an additional annual retainer of $15,000 for such service;

iv. chairperson of the Compensation Committee shall be eligible to receive an additional annual retainer of $22,500 for such service;

v. members (other than the chairperson) of the Compensation Committee shall be eligible to receive an additional annual retainer of $12,500 for such service;

vi. chairperson of the Nominating and Corporate Governance Committee shall be eligible to receive an additional annual retainer of $20,000 for such service;

vii. members (other than the chairperson) of the Nominating and Corporate Governance Committee shall be eligible to receive an additional annual retainer of $10,000 for such service;

viii. chairperson of the Transaction Committee shall be eligible to receive an additional annual retainer of $22,500 for such service; and

ix. members (other than the chairperson) of the Transaction Committee shall be eligible to receive an additional annual retainer of $12,500 for such service.

The annual retainers shall be paid in four equal quarterly installments, earned upon the completion of service in each calendar quarter.

(b) Each person who is elected or appointed to be a Non-Employee Director or who is appointed to serve as lead independent director or a member or chairperson of one of the Committees described above, in each case other than on the first day of a calendar quarter, shall be eligible to receive a pro rata amount of the annual retainers described above with respect to the calendar quarter in which such person becomes a Non-Employee Director, lead independent director or a member or chairperson of one of the Committees, as applicable, which pro rata amount reflects a reduction for each day during the calendar quarter prior to the date of such election or appointment.

(c) Each Non-Employee Director will be entitled to reimbursement from the Company for his or her reasonable travel (including airfare and ground transportation), lodging and meal expenses incidental to meetings of the Board or committees thereof. If any reimbursement payment is subject to tax imposed by the Irish Revenue Commissioners ("***Revenue***"), each Non-Employee Director will be entitled to a payment, up to an amount ("***Gross-Up Payment"***) such that after the deduction of all taxes (including, without limitation, any income taxes calculated at the rate applicable to each Non-Employee Director for the year in which the expenses were incurred) on the Gross-Up Payment, the Non-Employee Director will retain an amount equal to the full reimbursement payment. All taxes due will be paid by the Company to Revenue.

2. Equity Compensation. The stock options and restricted stock unit ("***RSU***") awards described below shall be granted under and shall be subject to the terms and provisions of the Company's Amended and Restated 2007 Non-Employee Directors Stock Award Plan (the "***NEDSAP***").

(a) Initial Grants. A person who is elected or appointed to be a Non-Employee Director for the first time on or following 3 May 2018 automatically shall be granted a nonstatutory stock option to purchase ordinary shares of the Company (an "***Initial Option Grant***") and an RSU award (an "***Initial RSU Grant***"), together equal to a grant date value of approximately $600,000, on the second trading day following the filing date of the Company's next quarterly or annual report filed under the Securities Exchange Act of 1934, as amended (the "***Exchange Act***"), that occurs after the date of such initial election or appointment. The Initial Option Grant and Initial RSU Grant shall collectively be referred to as an "***Initial Grant***." The Initial Grant will be delivered such that approximately 50% of the value is delivered as an Initial Option Grant and approximately 50% of the value is delivered as an Initial RSU Grant, using the methodology for determining actual share amounts and the stock option to RSU ratio most recently approved by the Compensation Committee.

(b) Continuing Grants. Subject to Section 2(c) below, a person who is a Non-Employee Director on or following 3 May 2018 automatically shall be granted a nonstatutory

stock option to purchase ordinary shares of the Company (a "***Continuing Option Grant***") and an RSU award (a "***Continuing RSU Grant***"), together equal to a grant date value of approximately $400,000, on the second trading day following the filing date of the Company's next quarterly or annual report filed under the Exchange Act that occurs after the date of each annual general meeting of the Company's shareholders. The Continuing Option Grant and Continuing RSU Grant shall collectively be referred to as a "***Continuing Grant***." The Continuing Grant will be delivered such that approximately 50% of the value is delivered as a Continuing Option Grant and approximately 50% of the value is delivered as a Continuing RSU grant, using the methodology for determining actual share amounts and the stock option to RSU ratio most recently approved by the Compensation Committee. Notwithstanding the foregoing, each person who is elected or appointed to be a Non-Employee Director for the first time at an annual general meeting of the Company's shareholders shall not be granted a Continuing Grant with respect to such meeting.

(c) Continuing Grants for Certain New Non-Employee Directors. If a person is elected or appointed to be a Non-Employee Director for the first time other than at an annual general meeting of the Company's shareholders, such Non-Employee Director automatically shall be granted a Continuing Grant with respect to the next annual general meeting in accordance with Section 2(b) above, provided that the date of such initial election or appointment is not less than four calendar months prior to the date of the next annual general meeting. If the date of such initial election or appointment is less than four calendar months prior to the date of the next annual general meeting, such Non-Employee Director shall not be granted a Continuing Grant under Section 2(b) above with respect to such next annual general meeting.

(d) Terms of Options Granted to Non-Employee Directors.

(i) Terms and Conditions. The terms and conditions applicable to each Initial Option Grant and Continuing Option Grant granted to Non-Employee Directors pursuant to this Policy shall be subject to the terms and conditions in the forms of stock option notice of grant and option award agreement previously approved by the Board or the Compensation Committee and the NEDSAP.

(ii) Vesting.

(a) Each Initial Option Grant granted to a Non-Employee Director shall vest and become exercisable as to 1/3 of the shares subject to such option on the first anniversary of the date such Non-Employee Director is first elected or appointed to the Board (the "Initial Grant Vesting Commencement Date") and as to the remainder of the shares, in 24 equal monthly installments thereafter, subject to the Non-Employee Director's Continuous Service (as defined in the NEDSAP) through such dates.

(b) Each Continuing Option Grant granted to a Non-Employee Director shall vest and become exercisable in 12 equal monthly installments of 1/12 of the shares subject to such option on the first day of each calendar month following the date of the annual general meeting of the Company's shareholders in such year, subject to

the Non-Employee Director's Continuous Service (as defined in the NEDSAP) through such dates.

(c) Notwithstanding the vesting provisions in clauses (a) and (b) hereof, if a Non-Employee Director does not stand for reelection at an annual general meeting of the Company's shareholders in the year in which his or her term expires or otherwise resigns effective at an annual general meeting of the Company's shareholders and, in either case, the Non-Employee Director's Continuous Service terminates at such annual general meeting, then effective as of the date of such annual general meeting:

(1) the unvested portion, if any, of an Initial Option Grant granted to such Non-Employee Director shall become vested and exercisable with respect to the portion of the Initial Option Grant that would have vested through the anniversary of the Initial Grant Vesting Commencement Date in the year of such annual general meeting; and

(2) the unvested portion, if any, of a Continuing Option Grant granted to such Non-Employee Director shall become vested and exercisable in full.

(e) Terms of RSUs Granted to Non-Employee Directors.

(i) Terms and Conditions. The terms and conditions applicable to each Initial RSU Grant and Continuing RSU Grant granted to Non-Employee Directors pursuant to this Policy shall be subject to the terms and conditions in the forms of RSU notice of grant and RSU award agreement previously approved by the Board or the Compensation Committee, as applicable, and the NEDSAP.

(ii) Vesting.

(a) Each Initial RSU Grant granted to a Non-Employee Director shall vest in three equal annual installments on each of the first three anniversaries of the Initial Grant Vesting Commencement Date, subject to the Non-Employee Director's Continuous Service (as defined in the NEDSAP) through such dates.

(b) Each Continuing RSU Grant granted to a Non-Employee Director shall vest in full on the first anniversary of the annual general meeting of the Company's shareholders in the year of grant, subject to the Non-Employee Director's Continuous Service (as defined in the NEDSAP) through such date.

(c) Notwithstanding the vesting provisions in clauses (a) and (b) hereof, if a Non-Employee Director does not stand for reelection at an annual general meeting of the Company's shareholders in the year in which his or her term expires or otherwise resigns effective at an annual general meeting of the Company's shareholders and, in either case, the Non-Employee Director's Continuous Service terminates at such annual general meeting, then effective as of the date of such annual general meeting:

(1) the unvested portion, if any, of an Initial RSU Grant granted to such Non-Employee Director shall become vested with respect to the portion of the Initial RSU Grant that would have vested on the anniversary of the Initial Grant Vesting Commencement Date in the year of such annual general meeting; and

(2) the unvested portion, if any, of a Continuing RSU Grant granted to such Non-Employee Director shall become vested in full.

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Adopted by the Board of Directors of Jazz Pharmaceuticals plc on 2 May 2013.

Amended and restated by the Board of Directors of Jazz Pharmaceuticals plc on 1 August 2013.

Amended and restated by the Board of Directors of Jazz Pharmaceuticals plc on 1 May 2014.

Amended and restated by the Board of Directors of Jazz Pharmaceuticals plc on 30 October 2014.

Amended and restated by the Board of Directors of Jazz Pharmaceuticals plc on 30 April 2015.

Amended and restated by the Board of Directors of Jazz Pharmaceuticals plc on 4 May 2016.

Amended and restated by the Board of Directors of Jazz Pharmaceuticals plc on 3 May 2018.

Exhibit 10.2

JAZZ PHARMACEUTICALS PLC

2011 EQUITY INCENTIVE PLAN

NON-U.S. OPTION GRANT NOTICE

Jazz Pharmaceuticals plc (the "***Company***"), pursuant to its 2011 Equity Incentive Plan (the "***Plan***"), hereby grants to Optionholder an option to purchase the number of Ordinary Shares specified and on the terms set forth below. This option is subject to all of the terms and conditions as set forth in this Non-U.S. Option Grant Notice (the "***Grant Notice***") and in the Non-U.S. Option Agreement, including any country-specific Appendix (the "***Agreement***"), and the Plan, both of which are attached hereto and incorporated herein in their entirety.

Optionholder:	_____
Option #:	_____
Date of Grant:	_____
Vesting Commencement Date:	_____
Number of Ordinary Shares Subject to Option:	_____
Exercise Price (Per Ordinary Share):	_____
Total Exercise Price:	_____
Expiration Date:	_____
Type of Grant:	_____

Vesting Schedule: Subject to Section 1 of the Agreement and any country-specific Appendix to the Agreement, this option will vest as follows: one quarter (1/4th) of the Number of Ordinary Shares Subject to the Option will vest on the first anniversary of the Vesting Commencement Date and the remaining three quarters (3/4th) will vest monthly in approximately equal installments over the next 36 months. Please refer to your online records available on E*TRADE or any successor system maintained by the Company for specific vesting dates.

Payment: By one or a combination of the following items (described in the Agreement):

[**x**] By cash, check, bank draft or money order payable to the Company
[**x**] Pursuant to a Regulation T Program if the Ordinary Shares are publicly traded
[ ] By delivery of already-owned Ordinary Shares if the Ordinary Shares are publicly traded
[**x**] If and only to the extent this option is a Nonstatutory Stock Option, and subject to the Company's consent at the time of exercise, by a "net exercise" arrangement

Additional Terms/Acknowledgements: The undersigned Optionholder acknowledges receipt of, and understands and agrees to, this Grant Notice, the Agreement and the Plan. Optionholder further acknowledges that as of the Date of Grant, this Grant Notice, the Agreement and the Plan set forth the entire understanding between Optionholder and the Company regarding the acquisition of Ordinary Shares and supersede all prior oral and written agreements, promises and/or representations on that subject with the exception of (i) options previously granted and delivered to Optionholder under the Plan, (ii) any other specific written agreement between Optionholder and the Company and

(iii) any compensation recovery policy that is adopted by the Company or is otherwise required by applicable law. By accepting this option, Optionholder consents to receive Plan documents by electronic delivery and to participate in the Plan through an on-line or electronic system established and maintained by the Company or another third party designated by the Company.

JAZZ PHARMACEUTICALS PLC	**PARTICIPANT**
By: _____	_____
Signature	Signature
Title: _____	Date: _____
Date: _____	

ATTACHMENTS: Non-U.S. Option Agreement and 2011 Equity Incentive Plan

* * * * *

Based on the form of Non-U.S. Option Grant Notice for the 2011 Equity Incentive Plan as approved by the Compensation Committee of the Board of Directors of Jazz Pharmaceuticals plc on July 31, 2013.

ATTACHMENT I

JAZZ PHARMACEUTICALS PLC
2011 EQUITY INCENTIVE PLAN

NON-U.S. OPTION AGREEMENT
(NONQUALIFIED STOCK OPTION)

Pursuant to your Non-U.S. Option Grant Notice (the "***Grant Notice***") and this Non-U.S. Option Agreement, including any country-specific Appendix (the "***Agreement***"), Jazz Pharmaceuticals plc (the "***Company***") has granted you an option under its 2011 Equity Incentive Plan (the "***Plan***") to purchase the number of Ordinary Shares indicated in your Grant Notice at the exercise price indicated in your Grant Notice. The option is granted to you effective as of the date of grant set forth in the Grant Notice (the "***Date of Grant***"). Except as otherwise explicitly provided in the Grant Notice or this Agreement, in the event of any conflict between the terms in the Grant Notice or this Agreement and the Plan, the terms of the Plan shall control. Capitalized terms not explicitly defined in the Grant Notice or this Agreement but defined in the Plan shall have the same definitions as in the Plan.

The details of your option, in addition to those set forth in the Grant Notice and the Plan, are as follows:

1. VESTING. Subject to Section 9 and the limitations contained herein, your option will vest as provided in your Grant Notice, provided that vesting will cease upon the termination of your Continuous Service.

2. NUMBER OF SHARES AND EXERCISE PRICE. The number of Ordinary Shares subject to your option and your exercise price per Ordinary Share referenced in your Grant Notice may be adjusted from time to time for Capitalization Adjustments.

3. METHOD OF PAYMENT. You must pay the full amount of the exercise price for the Ordinary Shares you wish to exercise. You may pay the exercise price in cash or by check, bank draft or money order payable to the Company (subject to Section 4) or in any other manner ***permitted by your Grant Notice,*** which may include one or more of the following:

(a) Provided that at the time of exercise the Ordinary Shares are publicly traded, pursuant to a program developed under Regulation T as promulgated by the U.S. Federal Reserve Board that, prior to the issuance of Ordinary Shares, results in either the receipt of cash (or check) by the Company or the receipt of irrevocable instructions to pay the aggregate exercise price to the Company from the sales proceeds. This manner of payment is also known as a "broker-assisted exercise," "same day sale," or "sell to cover."

(b) Provided that at the time of exercise the Ordinary Shares are publicly traded, by delivery to the Company (either by actual delivery or attestation) of already-owned Ordinary Shares that are owned free and clear of any liens, claims, encumbrances or security interests, and

that are valued at Fair Market Value on the date of exercise. "Delivery" for these purposes, in the sole discretion of the Company at the time you exercise your option, will include delivery to the Company of your attestation of ownership of such Ordinary Shares in a form approved by the Company. You may not exercise your option by delivery to the Company of Ordinary Shares if doing so would violate the provisions of any law, regulation or agreement applicable to the or restricting the redemption of the Ordinary Shares.

(c) If this option is a Nonqualified Stock Option, subject to the consent of the Company at the time of exercise, by a "net exercise" arrangement pursuant to which the Company will reduce the number of Ordinary Shares issued upon exercise of your option by the largest whole number of Ordinary Shares with a Fair Market Value that does not exceed the aggregate exercise price. You must pay any remaining balance of the aggregate exercise price not satisfied by the "net exercise" in cash or other permitted form of payment. Ordinary Shares will no longer be outstanding under your option and will not be exercisable thereafter if those Ordinary Shares (i) are used to pay the exercise price pursuant to the "net exercise," (ii) are delivered to you as a result of such exercise, and (iii) are withheld to satisfy any Tax-Related Items (defined below).

4. PAYMENT OF PAR (NOMINAL) VALUE. To the extent that any Ordinary Shares issued upon exercise of your option are newly issued Ordinary Shares, you must pay in cash or by check, bank draft or money order payable to the Company an amount equal to the par value of such number of newly issued Ordinary Shares (rounded up to the nearest whole cent).

5. WHOLE SHARES. You may exercise your option only for whole Ordinary Shares.

6. SECURITIES LAW COMPLIANCE. Notwithstanding anything to the contrary contained herein, you may not exercise your option unless the Ordinary Shares issuable upon such exercise are then registered under the Securities Act or, if such Ordinary Shares are not then so registered, the Company has determined that such exercise and issuance would be exempt from the registration requirements of the Securities Act. The exercise of your option also must comply with other applicable laws and regulations governing your option, and you may not exercise your option if the Company determines that such exercise would not be in material compliance with such laws and regulations. The Company shall have no liability to you should your option expire unexercised as a result of the Company's determination that the exercise of your option does not comply with the applicable laws and regulations governing the option or that the exercise is not in material compliance with such laws and regulations.

7. TERM. You may not exercise your option before the commencement or after the expiration of its term. The term of your option commences on the Date of Grant and expires, subject to the provisions of Section 5(h) of the Plan, upon the earliest of the following:

(a) three (3) months after the termination of your Continuous Service for any reason other than Cause or your Disability or death (except as otherwise provided in Section 7(c) below); *provided, however,* that if during any part of such three (3) month period your option is not exercisable solely because of the condition set forth in the section above relating to "Securities Law Compliance," your option will not expire until the earlier of the Expiration Date or until it has been

exercisable for an aggregate period of three (3) months after the termination of your Continuous Service;

(b) twelve (12) months after the termination of your Continuous Service due to your Disability (except as otherwise provided in Section 7(c) below);

(c) eighteen (18) months after your death if you die either during your Continuous Service or within three (3) months after your Continuous Service terminates for any reason other than Cause;

(d) five (5) days following the termination of your Continuous Service for Cause;

(e) the Expiration Date indicated in your Grant Notice; or

(f) the day before the tenth (10th) anniversary of the Date of Grant.

For purposes of this Agreement, "***Cause***" shall mean the occurrence of any of the following events that has a material negative impact on the business or reputation of the Company or an Affiliate: (i) your conviction for any criminal offence (other than an offence under any road traffic legislation for which a fine or non-custodial penalty is imposed) or any offence under any regulation or legislation relating to insider dealing, fraud or dishonesty; (ii) your attempted commission of, or participation in, a fraud or act of dishonesty against the Company or an Affiliate; (iii) your intentional, material violation of any contract or agreement between you and the Company or an Affiliate, or of any statutory duty owed to the Company or an Affiliate; (iv) your unauthorized use or disclosure of the Company's or an Affiliate's confidential information or trade secrets; or (v) your gross misconduct. The determination that a termination of your Continuous Service is either for Cause or without Cause shall be made by the Company in its sole discretion. Any determination by the Company that your Continuous Service was terminated with or without Cause for the purposes of this Agreement shall have no effect upon any determination of the rights or obligations of the Company or an Affiliate or you for any other purpose.

8. EXERCISE.

(a) You may exercise the vested portion of your option during its term by (i) delivering a Notice of Exercise (in a form designated by the Company) or completing such other documents and/or procedures designated by the Company for exercise and (ii) paying the exercise price and any applicable Tax-Related Items to the Company's Secretary, stock plan administrator, or such other person as the Company may designate, together with such additional documents as the Company may then require.

(b) By exercising your option you agree that, as a condition to any exercise of your option, the Company may require you to enter into an arrangement providing for the payment by you to the Company of any Tax-Related Items arising by reason of (i) the exercise of your option or (ii) the disposition of Ordinary Shares acquired upon such exercise.

9. CHANGE IN CONTROL.

(a) If your Continuous Service terminates either within twelve (12) months following or one (1) month prior to the effective date of a Change in Control due to an Involuntary Termination Without Cause, the vesting and exercisability of your option shall be accelerated in full.

(b) For purposes of this Agreement, "***Involuntary Termination Without Cause***" means the involuntary termination of your Continuous Service for reasons other than death, Disability, or Cause. Any determination by the Company that your Continuous Service was terminated with or without Cause for the purposes of this Agreement shall have no effect upon any determination of the rights or obligations of the Company or an Affiliate or you for any other purpose.

10. PARACHUTE PAYMENTS.

(a) If you are a U.S. taxpayer and any payment or benefit you would receive from the Company or otherwise in connection with a Change in Control or other similar transaction ("***Payment***") would (i) constitute a "parachute payment" within the meaning of Section 280G of the Code, and (ii) but for this sentence, be subject to the excise tax imposed by Section 4999 of the Code (the "***Excise Tax***"), then such Payment shall be equal to the Reduced Amount. The "Reduced Amount" shall be either (x) the largest portion of the Payment that would result in no portion of the Payment being subject to the Excise Tax, or (y) the largest portion, up to and including the total, of the Payment, whichever amount ((x) or (y)), after taking into account all applicable federal, state, foreign and local employment taxes, income taxes, and the Excise Tax (all computed at the highest applicable marginal rate), results in your receipt, on an after-tax basis, of the greater amount of the Payment notwithstanding that all or some portion of the Payment may be subject to the Excise Tax. If a reduction in payments or benefits constituting "parachute payments" is necessary so that the Payment equals the Reduced Amount, reduction shall occur in the manner that results in the greatest economic benefit for you.

(b) The independent registered public accounting firm engaged by the Company for general audit purposes as of the day prior to the effective date of the event described in Section 280G(b)(2)(A)(i) of the Code shall perform the foregoing calculations. If the independent registered public accounting firm so engaged by the Company is serving as accountant or auditor for the individual, entity or group effecting such Change in Control or similar transaction, the Company shall appoint a nationally recognized independent registered public accounting firm to make the determinations required hereunder. The Company shall bear all expenses with respect to the determinations by such independent registered public accounting firm required to be made hereunder.

(c) The independent registered public accounting firm engaged to make the determinations hereunder shall provide its calculations, together with detailed supporting documentation, to the Company and you within thirty (30) calendar days after the date on which your right to a Payment is triggered (if requested at that time by the Company or you) or such other time as reasonably requested by the Company or you. Any good faith determinations of the

independent registered public accounting firm made hereunder shall be final, binding and conclusive upon the Company and you.

11. TRANSFERABILITY. Your option is not transferable, except by will or by the laws of descent and distribution, and is exercisable during your life only by you.

12. OPTION NOT A SERVICE CONTRACT. Your option is not an employment or service contract, and nothing in your option shall be deemed to create in any way whatsoever any obligation on your part to continue in the employ of the Company or an Affiliate, or of the Company or an Affiliate to continue your employment and shall not in any way restrict the Company or an Affiliate to terminate your Continuous Service or employment. In addition, nothing in your option shall obligate the Company or an Affiliate, their respective shareholders, Boards of Directors, Officers or Employees to continue any relationship that you might have as a Director or Consultant for the Company or an Affiliate.

13. TAX WITHHOLDING OBLIGATIONS.

You acknowledge that, regardless of any action taken by the Company or, if different, your employer (the "***Employer***"), the ultimate liability for all income tax, social insurance, payroll tax, fringe benefits tax, payment on account or other tax-related items related to your participation in the Plan and legally applicable to you ("***Tax-Related Items***"), is and remains your responsibility and may exceed the amount actually withheld by the Company or the Employer. You further acknowledge that the Company and/or the Employer (i) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the option, including, but not limited to, the grant, vesting or exercise of the option, the subsequent sale of Ordinary Shares acquired pursuant to such exercise and the receipt of any dividends; and (ii) do not commit to and are under no obligation to structure the terms of the grant or any aspect of the option to reduce or eliminate your liability for Tax-Related Items or achieve any particular tax result. Further, if you are subject to Tax-Related Items in more than one jurisdiction between the Date of Grant and the date of any relevant taxable or tax withholding event, as applicable, you acknowledge that the Company and/or the Employer (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

Prior to the relevant taxable or tax withholding event, as applicable, you agree to make adequate arrangements satisfactory to the Company and/or the Employer to satisfy all Tax-Related Items.

In this regard, you authorize the Company and/or the Employer, or their respective agents, at their discretion, to satisfy the obligations with regard to all Tax-Related Items by (i) withholding from proceeds of the sale of Ordinary Shares acquired at exercise of the option either through a voluntary sale or through a mandatory sale arranged by the Company (on your behalf pursuant to this authorization) without further consent or (ii) withholding in Ordinary Shares to be issued at exercise of the option.

Depending on the withholding method, the Company may withhold or account for Tax-Related Items by considering applicable minimum statutory withholding amounts or other

applicable withholding rates, including maximum applicable rates, in which case you will receive a refund of any over-withheld amount in cash and will have no entitlement to the Ordinary Share equivalent. If the obligation for Tax-Related Items is satisfied by withholding in Ordinary Shares, for tax purposes, you are deemed to have been issued the full number of Ordinary Shares subject to the exercised options, notwithstanding that a number of the Ordinary Shares are held back solely for the purpose of paying the Tax-Related Items.

Finally, you agree to pay to the Company or the Employer, including through withholding from your wages or other cash compensation paid to you by the Company and/or the Employer, any amount of Tax-Related Items that the Company or the Employer may be required to withhold or account for as a result of your participation in the Plan that cannot be satisfied by the means previously described. The Company may refuse to issue or deliver the Ordinary Shares or the proceeds of the sale of Ordinary Shares, if you fail to comply with your obligations in connection with the Tax-Related Items.

14. NATURE OF GRANT. In accepting the option, you acknowledge, understand and agree that:

(a) the Plan is established voluntarily by the Company, it is discretionary in nature, and may be amended, suspended or terminated by the Company at any time, to the extent permitted by the Plan;

(b) the grant of the option is voluntary and occasional and does not create any contractual or other right to receive future grants of options, or benefits in lieu of options, even if options have been granted in the past;

(c) all decisions with respect to future option or other grants, if any, will be at the sole discretion of the Company;

(d) you are voluntarily participating in the Plan;

(e) the option and any Ordinary Shares acquired under the Plan, and the income and value of same, are not intended to replace any pension rights or compensation;

(f) the option and any Ordinary Shares acquired under the Plan, and the income and value of same, are not part of normal or expected compensation for any purpose, including, without limitation, calculating any severance, resignation, termination, redundancy, dismissal, end-of-service payments, bonuses, long-service awards, pension or retirement or welfare benefits or similar payments;

(g) the future value of the Ordinary Shares underlying the option is unknown, indeterminable, and cannot be predicted with certainty;

(h) if the underlying Ordinary Shares do not increase in value, the option will have no value;

(i) if you exercise the option and acquire Ordinary Shares, the value of such Ordinary Shares may increase or decrease in value, even below the exercise price;

(j) no claim or entitlement to compensation or damages shall arise from forfeiture of the option resulting from the termination of your Continuous Service (for any reason whatsoever, whether or not later found to be invalid or in breach of employment laws in the jurisdiction where you are providing Continuous Service or the terms of your employment agreement, if any), and in consideration of the grant of the option, you agree not to institute any claim against the Company, any Affiliate or the Employer;

(k) unless otherwise agreed with the Company, the option and any Ordinary Shares acquired under the Plan, and the income and value of same, are not granted as consideration for, or in connection with, the service you may provide as a director of the Company or any Affiliate;

(l) unless otherwise provided in the Plan or by the Company in its discretion, the option and the benefits evidenced by this Agreement do not create any entitlement to have the option or any such benefits transferred to, or assumed by, another company nor to be exchanged, cashed out or substituted for, in connection with any corporate transaction affecting the Ordinary Shares; and

(m) neither the Company, the Employer nor any Affiliate shall be liable for any foreign exchange rate fluctuation between your local currency and the United States Dollar that may affect the value of the option or of any amounts due to you pursuant to the exercise of the option or the subsequent sale of any Ordinary Shares acquired upon exercise.

15. NO ADVICE REGARDING GRANT. The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding your participation in the Plan, or your acquisition or sale of the underlying Ordinary Shares. You are hereby advised to consult with your own personal tax, legal and financial advisors regarding your participation in the Plan before taking any action related to the Plan.

16. DATA PRIVACY. The Employer, the Company and any Affiliate may collect, use, process, transfer or disclose your Personal Information for the purpose of implementing, administering and managing your participation in the Plan, in accordance with the Jazz Pharmaceuticals Employee Data Privacy Notice you have previously received. (Please contact Human Resources if you would like to receive another copy of this notice.) For example, your Personal Information may be directly or indirectly transferred to E*TRADE or any other third party stock plan service provider as may be selected by the Company, and any other third parties assisting the Company with the implementation, administration and management of the Plan.

17. GOVERNING LAW AND VENUE. The option grant and the provisions of this Agreement are governed by, and subject to, the laws of the State of Delaware, without regard to its conflict of law provisions.

For purposes of any action, lawsuit or other proceedings brought to enforce this Agreement, relating to it, or arising from it, the parties hereby submit to and consent to the sole and exclusive

jurisdiction of the courts of Santa Clara County, California, or the federal courts for the United States for the Northern District of California, and no other courts, where this grant is made and/or to be performed.

18. LANGUAGE. If you have received this Agreement, or any other document related to the option and/or the Plan translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control.

19. SEVERABILITY. The provisions of this Agreement are severable and if any one or more provisions are determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions shall nevertheless be binding and enforceable.

20. APPENDIX. Notwithstanding any provisions in this Agreement, the option grant shall be subject to any special terms and conditions set forth in any Appendix to this Agreement for your country. Moreover, if you relocate to one of the countries included in the Appendix, the special terms and conditions for such country will apply to you, to the extent the Company determines that the application of such terms and conditions is necessary or advisable for legal or administrative reasons. The Appendix constitutes part of this Agreement.

21. NOTICES; ELECTRONIC DELIVERY. Any notices provided for in your option or the Plan will be given in writing (including electronically) and will be deemed effectively given upon receipt or, in the case of notices delivered by mail by the Company to you, fourteen (14) days after deposit in the United States mail, postage prepaid, addressed to you at the last address you provided to the Company. The Company may, in its sole discretion, decide to deliver any documents related to participation in the Plan and this option by electronic means or to request your consent to participate in the Plan by electronic means. By accepting this option, you consent to receive such documents by electronic delivery and to participate in the Plan through an on-line or electronic system established and maintained by the Company or another third party designated by the Company.

22. INSIDER TRADING / MARKET ABUSE LAWS. You may be subject to insider trading restrictions and/or market abuse laws based on the exchange on which the Ordinary Shares are listed and in applicable jurisdictions including the United States and your country or your broker's country, if different, which may affect your ability to accept, acquire, sell or otherwise dispose of Ordinary Shares, rights to Ordinary Shares (e.g., options) or rights linked to the value of Ordinary Shares under the Plan during such times as you are considered to have "inside information" regarding the Company (as defined by the laws in the applicable jurisdictions). Local insider trading laws and regulations may prohibit the cancellation or amendment of orders you placed before you possessed inside information. Furthermore, you could be prohibited from (a) disclosing the inside information to any third party and (b) "tipping" third parties or causing them otherwise to buy or sell securities (third parties include fellow employees). Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under the Company's insider trading policy as may be in effect from time to time. You acknowledge that it is your responsibility to comply with any applicable restrictions, and you should speak to your personal advisor on this matter.

23. FOREIGN ASSET/ACCOUNT, EXCHANGE CONTROL AND TAX REPORTING. You may be subject to foreign asset/account, exchange control and/or tax reporting requirements as a result of the acquisition, holding and/or transfer of Ordinary Shares or cash (including dividends and the proceeds arising from the sale of Ordinary Shares) derived from your participation in the Plan, to and/or from a brokerage/bank account or legal entity located outside your country. The applicable laws of your country may require that you report such accounts, assets, the balances therein, the value thereof and/or the transactions related thereto to the applicable authorities in such country. You acknowledge that you are responsible for ensuring compliance with any applicable foreign asset/account, exchange control and tax reporting requirements and should consult your personal legal advisor on this matter.

24. GOVERNING PLAN DOCUMENT. Your option is subject to all the provisions of the Plan, the provisions of which are hereby made a part of your option, and is further subject to all interpretations, amendments, rules and regulations, which may from time to time be promulgated and adopted pursuant to the Plan. Except as otherwise explicitly provided herein, in the event of any conflict between the provisions of your option and those of the Plan, the provisions of the Plan shall control.

25. AMENDMENT. Notwithstanding anything in the Plan to the contrary, the Board reserves the right to change, by written notice to you, the provisions of this Agreement in any way it may deem necessary or advisable for legal or administrative reasons, and to require you to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

26. IMPOSITION OF OTHER REQUIREMENTS. The Company reserves the right to impose other requirements on your participation in the Plan, on the option and on any Ordinary Shares purchased upon exercise of the option, to the extent the Company determines it is necessary or advisable for legal or administrative reasons, and to require you to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

27. WAIVER. You acknowledge that a waiver by the Company of breach of any provision of this Agreement shall not operate or be construed as a waiver of any other provision of this Agreement, or of any subsequent breach by you or any other Participant.

* * * * *

By signing the Non-U.S. Option Grant Notice to which this Non-U.S. Option Agreement is attached, you shall be deemed to have signed and agreed to the terms and conditions of this Non-U.S. Option Agreement.

* * * * *

Based on the form of Non-U.S. Option Agreement for the 2011 Equity Incentive Plan as approved by the Compensation Committee of the Board of Directors of Jazz Pharmaceuticals plc on July 31, 2013, as amended and restated by delegation of the Compensation Committee on May 25, 2018.

APPENDIX
TO THE
NON-U.S. OPTION AGREEMENT

TERMS AND CONDITIONS

This Appendix contains additional terms and conditions that govern the option granted under the Plan to you if you reside and/or work in one of the countries listed below. Certain capitalized terms used but not defined in this Appendix have the meanings set forth in the Plan, the Grant Notice and/or the Agreement.

If you are a citizen or resident of a country other than the one in which you are currently working, transfer employment and/or residency after the option is granted, or are considered a resident of another country for local law purposes, the information contained herein may not be applicable to you and the Company shall, in its discretion, determine to what extent the terms and conditions contained herein shall apply to you.

NOTIFICATIONS

This Appendix contains information regarding exchange controls and certain other issues of which you should be aware with respect to participation in the Plan. The information is based on the securities, exchange control and other laws in effect in the respective countries as of May 2018. Such laws are often complex and change frequently. As a result, the Company strongly recommends that you not rely on the information in this Appendix as the only source of information relating to the consequences of your participation in the Plan because the information may be out of date at the time you exercise the option or sell Ordinary Shares acquired pursuant thereto.

The information contained herein is general in nature and may not apply to your particular situation, and the Company is not in a position to assure you of a particular result. Accordingly, you are advised to seek appropriate professional advice as to how the relevant laws in your country may apply to your situation.

AUSTRIA

Notifications

Exchange Control Notification. If you hold Ordinary Shares acquired under the Plan outside of Austria, you must submit a report to the Austrian National Bank. An exemption applies if the value of the Ordinary Shares as of any given quarter does not meet or exceed €30,000,000 or if the value of the Ordinary Shares in any given year as of December 31 does not meet or exceed €5,000,000. If the former threshold is exceeded, quarterly obligations are imposed, whereas if the latter threshold is exceeded, annual reports must be given. The annual reporting date is December 31 and the deadline for filing the annual report is March 31 of the following year.

A separate reporting requirement applies when you sell Ordinary Shares acquired under the Plan or receive a dividend payment. In that case, there may be exchange control obligations if the cash

proceeds are held outside of Austria. If the transaction volume of all accounts abroad meets or exceeds €10,000,000, the movements and balances of all accounts must be reported monthly, as of the last day of the month, on or before the 15th day of the following month, on the prescribed form (*Meldungen SI-Forderungen und/oder SI-Verpflichtungen*).

BELGIUM

TERMS AND CONDITIONS

Taxation of Option. The option must be accepted in writing either (i) within 60 days of the offer (for tax at offer), or (ii) after 60 days of the offer (for tax at exercise). You have received a separate offer letter and undertaking form in addition to the Agreement and should refer to the offer letter for a more detailed description of the tax consequences corresponding with when you accept the option. You should consult with your personal tax advisor regarding taxation of the option and completion of the additional forms.

NOTIFICATIONS

Foreign Asset / Account Reporting. Belgian residents are required to report any securities held (*e.g.,* Ordinary Shares) or bank accounts (including brokerage accounts) opened and maintained outside of Belgium on their annual tax returns. Belgian residents are also required to complete a separate report, providing the Central Contact Point of the National Bank of Belgium with details regarding any such account, including the account number, the name of the bank in which such account is held and the country in which such account is located the first time they report the foreign security and/or bank account on their annual tax returns. The forms to complete this report are available on the website of the National Bank of Belgium, www.nbb.be, under *Kredietcentrales / Centrales des crédits* caption. You should consult your personal tax advisor to ensure compliance with applicable reporting obligations.

CANADA

TERMS AND CONDITIONS

Form of Payment. Notwithstanding anything in Sections 3(b) and 13 to the contrary, you are prohibited from surrendering Ordinary Shares that you own or attesting to the ownership of Ordinary Shares to pay the exercise price or any Tax-Related Items in connection with the option.

The following provision applies if you reside in Quebec:

Consent to Receive Information in English. The parties acknowledge that it is their express wish that the Agreement, as well as all documents, notices and legal proceeds entered into, given or instituted pursuant hereto or relating directly or indirectly hereto, be drawn up in English.

Les parties reconnaissent avoir exigé la rédaction en anglais de la convention, ainsi que de tous documents, avis et procédures judiciaires, exécutés, donnés ou intentés en vertu de, ou liés directement ou indirectement à, la présente convention.

NOTIFICATIONS

Securities Law Notification. You will not be permitted to sell or otherwise dispose of Ordinary Shares acquired upon exercise of the option within Canada. You will be permitted to sell or dispose of any Ordinary Shares only if such sale or disposal takes place outside of Canada through the facilities of the stock exchange on which the Ordinary Shares are traded (*i.e.,* Nasdaq).

Foreign Asset / Account Reporting. Canadian residents are required to report any foreign specified property (including unvested options and Ordinary Shares) annually on Form T1135 (Foreign Income Verification Statement) if the total cost of the foreign specified property exceeds C$100,000 at any time during the year. The form must be filed by April 30th of the following year. Options must be reported - generally at a nil cost - if the C$100,000 cost threshold is exceeded because of other foreign specified property. When Ordinary Shares are acquired, their cost generally is the adjusted cost base ("***ACB***") of the Ordinary Shares. The ACB would ordinarily equal the fair market value of the Ordinary Shares at the time of acquisition, but if other shares are also owned, this ACB may have to be averaged with the ACB of the other shares. You should consult your personal tax advisor to ensure compliance with applicable reporting obligations.

FRANCE

TERMS AND CONDITIONS

Language Consent. By accepting the option, you confirm that you have read and understood the documents relating to the option (the Plan and the Agreement, including this Appendix) which were provided in the English language. You accept the terms of these documents accordingly.

Consentement Relatif à la Langue Utilisée. *En acceptant l'option, vous confirmez avoir lu et compris les documents relatifs à l'option (le Plan et le Contrat, y compris cette Annexe) qui ont été communiqués en langue anglaise. Vous acceptez les termes de ces documents en connaissance de cause.*

NOTIFICATIONS

Foreign Asset / Account Reporting. If you hold Ordinary Shares outside of France or maintain a foreign bank account, you are required to report such to the French tax authorities when filing your annual tax return.

GERMANY

NOTIFICATIONS

Exchange Control Information. Cross-border payments in excess of €12,500 must be reported monthly to the German Federal Bank (*Bundesbank*). Effective from September 2013, the report must be filed electronically. The form of report (*Allgemeines Meldeportal Statistik*) can be accessed via the *Bundesbank's* website (www.bundesbank.de) and is available in both German and English. You are responsible for satisfying the reporting obligations.

IRELAND

NOTIFICATIONS

Director Notification Obligation. If you are a director, shadow director or secretary of the Company or an Irish Affiliate, you must notify the Company or the Irish Affiliate in writing if you receive or dispose of an interest exceeding 1% of the Company (*e.g.,* options, Ordinary Shares), or become aware of the event giving rise to the notification requirement, or if you become a director or secretary if such an interest exceeding 1% of the Company exists at the time. This notification requirement also applies with respect to the interests of a spouse or minor children (whose interests will be attributed to the director, shadow director or secretary, as applicable).

ITALY

TERMS AND CONDITIONS

Method of Payment. Notwithstanding anything to the contrary in the Grant Notice or Section 3 of the Agreement, due to securities restrictions in Italy, you are required to use a "cashless sell-all" method of exercise pursuant to which you deliver irrevocable instructions to the broker to sell all Ordinary Shares to which you are entitled at exercise and remit the proceeds from sale, less any Tax-Related Items and brokerage fees or commissions, to you in cash. You will not be permitted to hold any Ordinary Shares in connection following the exercise of the option. The Company reserves the right to provide you with additional methods of exercising the option depending upon development of local laws.

Acknowledgement. You acknowledge that you have read and specifically and expressly approve the following sections of the Agreement: Section 13 - Tax Withholding Obligations; Section 14 - Nature of Grant; Section 16 - Data Privacy; Section 17 - Governing Law and Venue; Section 18 - Language; Section 19 - Severability; Section 21 - Notices; Electronic Delivery; and Section 26 - Imposition of Other Requirements.

NOTIFICATIONS

Foreign Asset / Account Reporting. Italian residents who, at any time during the fiscal year, hold foreign financial assets (including Ordinary Shares) which may generate income taxable in Italy are required to report these assets on their annual tax returns (UNICO Form, RW Schedule) for the

year during which the assets are held, or on a special form if no tax return is due. These reporting obligations will also apply to Italian residents who are the beneficial owners of foreign financial assets under Italian money laundering provisions. You are responsible for complying with this reporting obligation and should speak with your personal legal advisor in this regard.

NETHERLANDS

There are no country-specific provisions.

POLAND

NOTIFICATIONS

Exchange Control Notification. You are required to file quarterly reports to the National Bank of Poland with information on transactions and balances regarding your rights to Ordinary Shares (such as options) and Ordinary Shares if the total value (calculated individually or together with other assets and liabilities possessed abroad) exceeds PLN 7 million. You also are required to transfer funds through a bank account in Poland if the transferred amount in any single transaction exceeds a specified threshold (currently €15,000, unless the transfer of funds is considered to be connected with the business activity of an entrepreneur, in which case a lower threshold may apply). You are required to retain documents connected with foreign exchange transactions for a period of five years from the date the exchange transaction was made.

PORTUGAL

TERMS AND CONDITIONS

Language Consent. You hereby expressly declare that you have full knowledge of the English language and have read, understood and fully accepted and agreed with the terms and conditions established in the Plan and the Agreement.

Conhecimento da Lingua. Por meio do presente, eu declaro expressamente que tem pleno conhecimento da língua inglesa e que li, compreendi e livremente aceitei e concordei com os termos e condições estabelecidas no Plano e no Acordo.

NOTIFICATIONS

Exchange Control Notification. If you acquire Ordinary Shares under the Plan and hold the Ordinary Shares with a U.S. broker that is not a Portuguese financial intermediary, you may need to file a report with the Portuguese Central Bank. If the Ordinary Shares are held by a Portuguese financial intermediary, it will file the report for you.

SPAIN

TERMS AND CONDITIONS

Nature of Grant. This provision supplements Section 14 of the Agreement:

In accepting the option, you consent to participate in the Plan and acknowledge having received and read a copy of the Plan.

You understand that the Company has unilaterally, gratuitously and discretionally decided to grant an option under the Plan to individuals who may be employees of the Employer, the Company or any Affiliate throughout the world. The decision is a limited decision that is entered into upon the express assumption and condition that any grant will not bind the Company or any Affiliate except as set forth in the Plan or Agreement. Consequently, you understand that your option is granted on the assumption and condition that such option and any Ordinary Shares acquired upon exercise of your option shall not become a part of any employment contract (either with the Employer or the Company or any Affiliate) and shall not be considered a mandatory benefit, salary for any purpose (including severance compensation) or any other right whatsoever. In addition, you understand that your option would not be granted but for the assumptions and conditions referred to above; thus, you acknowledge and freely accept that should any or all of the assumptions be mistaken or should any of the conditions not be met for any reason, then the grant of your option shall be null and void.

Further, the vesting of your option is expressly conditioned on your Continuous Service, such that if your service or employment terminates for any reason whatsoever, your option ceases vesting immediately effective on the date of termination of your service or employment. This will be the case, for example, even if you (1) are considered to be unfairly dismissed without good cause; (2) are dismissed for disciplinary or objective reasons or due to a collective dismissal; (3) terminate service or employment due to a change of work location, duties or any other employment or contractual condition; (4) terminate service or employment due to the Company's or any Affiliate's unilateral breach of contract; or (5) are terminated from service or employment for any other reason whatsoever. Consequently, upon your termination of service or employment for any of the above reasons, you will automatically lose any rights to your option that were unvested on the date of termination.

NOTIFICATIONS

Securities Law Notification. Your option described in the Plan and the Agreement, including this Appendix, does not qualify under Spanish regulations as a security. No "offer of securities to the public," as defined under Spanish law, has taken place or will take place in the Spanish territory. The Plan and the Agreement, including this Appendix, have not been nor will they be registered with the Comisión Nacional del Mercado de Valores (Spanish Securities Exchange Commission), and they do not constitute a public offering prospectus.

Exchange Control Notification. The acquisition, ownership and sale of Ordinary Shares under the Plan must be declared for statistical purposes to the Spanish Dirección General de Comercio e Inversiones (the "***DGCI***"), the Bureau for Commerce and Investments, which is a department of

the Ministry of Economy and Competitiveness. Generally, the declaration must be made each January for Ordinary Shares owned as of December 31 of the prior year; however, if the amount of Ordinary Shares acquired or sold exceeds a specific threshold or if you hold 10% or more of the share capital of the Company or such other amount that would entitle you to join the Company's board of directors, the declaration must be filed also within one month of the acquisition or sale, as applicable.

Foreign Asset / Account Reporting. Spanish residents are required to declare electronically to the Bank of Spain any securities accounts (including brokerage accounts held abroad), as well as the Ordinary Shares held in such accounts if the value of the transactions during the prior tax year or the balances in such accounts as of December 31 of the prior tax year exceed €1,000,000. More frequent reporting is required if such transaction value or account balance exceeds €100,000,000.

In addition, you may be subject to certain tax reporting requirements with respect to assets or rights that you hold outside of Spain, including bank accounts, securities and real estate if the aggregate value for particular category of assets exceeds €50,000 as of December 31 each year. Ordinary Shares acquired under the Plan or other equity programs offered by the Company constitute securities for purposes of this requirement, but unvested awards (*e.g.*, options, etc.) are not considered assets or rights for purposes of this reporting requirement. If applicable, you must report the assets on Form 720 by no later than March 31 following the end of the relevant year. After the rights and/or assets are initially reported, the reporting obligation will apply only if the value of previously-reported rights or assets increases by more than €20,000 as of each subsequent December 31 or if you sell or otherwise dispose of previously-reported rights or assets. You should consult with your personal advisor to determine your obligations in this respect.

SWITZERLAND

NOTIFICATIONS

Securities Law Notification. The grant of the options and the issuance of any Ordinary Shares is not intended to be a public offering in Switzerland. Neither this document nor any other materials relating to the options constitute a prospectus as such term is understood pursuant to article 652a of the Swiss Code of Obligations, and neither this document nor any other materials relating to the options may be publicly distributed nor otherwise made publicly available in Switzerland. Finally, neither this document nor any other offering or marketing material relating to the options have been or will be filed with, or approved or supervised by, any Swiss regulatory authority (in particular, the Swiss Financial Market Supervisory Authority (FINMA)).

UNITED KINGDOM

TERMS AND CONDITIONS

Tax Withholding Obligations. This provision supplements Section 13 of the Agreement:

Without limitation to Section 13 of the Agreement, you agree that you are liable for all Tax-Related Items and hereby covenant to pay all such Tax-Related Items as and when requested by the Company

or the Employer or by Her Majesty's Revenue and Customs (**"*HMRC*"**) (or any other tax authority or any other relevant authority). You also agree to indemnify and keep indemnified the Company and the Employer against any taxes that they are required to pay or withhold or have paid or will pay on your behalf to HMRC (or any other tax authority or any other relevant authority).

Notwithstanding the foregoing, if you are a director or executive officer of the Company (within the meaning of Section 13(k) of the Exchange Act), the terms of the immediately foregoing provision will not apply. In such case, if the amount of any income tax due is not collected from or paid by you within 90 days of the end of the UK tax year in which an event giving rise to the indemnification described above occurs, the amount of any uncollected income tax may constitute a benefit to you on which additional income tax and national insurance contributions ("***NICs***") may be payable. You will be responsible for reporting and paying any income tax due on this additional benefit directly to HMRC under the self-assessment regime and for reimbursing the Employer for the value of any employee NICs due on this additional benefit, which the Company or the Employer may recover from you at any time thereafter by any of the means referred to in Section 13 of the Agreement.

Joint Election for Transfer of Liability for Employer National Insurance Contributions. As a condition of participation in the Plan, you agree to accept any liability for secondary Class 1 NICs that may be payable by the Company, the Employer or any Affiliate in connection with the option and any event giving rise to Tax-Related Items (the "***Employer NICs***"). Without prejudice to the foregoing, you agree to execute a joint election with the Company, the form of such joint election (the "***Joint Election***") having been approved formally by HMRC, and any other required consent or election prior to exercise of the option. You further agree to execute such other joint elections as may be required between you and any successor to the Company, the Employer or any Affiliate. You further agree that the Company, the Employer and any Affiliate may collect the Employer NICs from you by any of the means set forth in Section 13 of the Agreement.

If you do not enter into a Joint Election prior to the exercise of the option, you will not be entitled to exercise the option unless and until you enter into a Joint Election, and no Ordinary Shares will be issued to you under the Plan, without any liability to the Company, the Employer or any Affiliate.

JAZZ PHARMACEUTICALS PLC

2011 EQUITY INCENTIVE PLAN

ELECTION TO TRANSFER THE EMPLOYER'S SECONDARY CLASS 1 NATIONAL INSURANCE LIABILITY TO THE EMPLOYEE

This Election is between:

A. The individual who has received this Election (the "**Employee**"), who is employed by one of the employing companies listed in the attached schedule (the "**Employer**") and who is eligible to receive stock options and/or restricted stock units (together, the "**Awards**") pursuant to the Jazz Pharmaceuticals plc 2011 Equity Incentive Plan (the "**Plan**"), and

B. Jazz Pharmaceuticals plc, Fourth Floor, Connaught House, 1 Burlington Road, Dublin 4, Ireland (the "**Company**"), which may grant Awards under the Plan and is entering into this Election on behalf of the Employer.

1. Introduction

1.1 This Election relates to all Awards granted to the Employee under the Plan on or after January 18, 2012 up to the termination date of the Plan.

1.2 In this Election the following words and phrases have the following meanings:

(a) "**Chargeable Event**" means, in relation to the Awards:

(i) the acquisition of securities pursuant to the Awards (within section 477(3)(a) of ITEPA);

(ii) the assignment (if applicable) or release of the Awards in return for consideration (within section 477(3)(b) of ITEPA);

(iii) the receipt of a benefit in connection with the Awards, other than a benefit within (i) or (ii) above (within section 477(3)(c) of ITEPA);

(iv) post-acquisition charges relating to the Awards and/or ordinary shares of the Company acquired pursuant to the Awards (within section 427 of ITEPA); and/or

(v) post-acquisition charges relating to the Awards and/or ordinary shares of the Company acquired pursuant to the Awards (within section 439 of ITEPA).

(b) "**ITEPA**" means the Income Tax (Earnings and Pensions) Act 2003.

(c) "**SSCBA**" means the Social Security Contributions and Benefits Act 1992.

1.3 This Election relates to the Employer's secondary Class 1 National Insurance Contributions (the "**Employer's Liability**") which may arise on the occurrence of a Chargeable Event in respect of the Awards pursuant to section 4(4)(a) and/or paragraph 3B(1A) of Schedule 1 of the SSCBA.

1.4 This Election does not apply in relation to any liability, or any part of any liability, arising as a result of regulations being given retrospective effect by virtue of section 4B(2) of either the SSCBA, or the Social Security Contributions and Benefits (Northern Ireland) Act 1992.

1.5 This Election does not apply to the extent that it relates to relevant employment income which is employment income of the earner by virtue of Chapter 3A of Part VII of ITEPA (employment income: securities with artificially depressed market value).

2. The Election

The Employee and the Company jointly elect that the entire liability of the Employer to pay the Employer's Liability on the Chargeable Event is hereby transferred to the Employee. The Employee understands that, by signing the award grant notice, he or she will become personally liable for the Employer's Liability covered by this Election. This Election is made in accordance with paragraph 3B(1) of Schedule 1 of the SSCBA.

3. Payment of the Employer's Liability

3.1 The Employee hereby authorises the Company and/or the Employer to collect the Employer's Liability from the Employee at any time after the Chargeable Event:

(i) by deduction from salary or any other payment payable to the Employee at any time on or after the date of the Chargeable Event; and/or

(ii) directly from the Employee by payment in cash or cleared funds; and/or

(iii) by arranging, on behalf of the Employee, for the sale of some of the securities which the Employee is entitled to receive in respect of the Awards, the proceeds from which must be delivered to the Employer in sufficient time for payment to be made to Her Majesty's Revenue & Customs ("**HMRC**") by the due date; and/or

(iv) where the proceeds of the gain are to be made through a third party, the Employee will authorize that party to withhold an amount from the payment or to sell some of the securities which the Employee is entitled to receive in respect of the Award, such amount to be paid in sufficient time to enable the Company and/or the Employer to make payment to HMRC by the due date; and/or

(v) by any other means specified in the applicable Award agreement entered into between the Employee and the Company.

3.2 The Company hereby reserves for itself and the Employer the right to withhold the transfer of any securities to the Employee in respect of the Awards until full payment of the Employer's Liability is received.

3.3 The Company agrees to procure the remittance by the Employer of the Employer's Liability to HMRC on behalf of the Employee within 14 days after the end of the UK tax month during which the Chargeable Event occurs (or within 17 days after the end of the UK tax month during which the Chargeable Event occurs if payments are made electronically).

4. Duration of Election

4.1 The Employee and the Company agree to be bound by the terms of this Election regardless of whether the Employee is transferred abroad or is not employed by the Employer on the date on which the Employer's Liability becomes due.

4.2 Any reference to the Company and/or the Employer shall include that entity's successors in title and assigns as permitted in accordance with the terms of the Plan and relevant award agreement. This Election will continue in effect in respect of any awards which replace the Awards in circumstances where section 483 of ITEPA applies.

4.3 This Election will continue in effect until the earliest of the following:

(i) the date on which the Employee and the Company agree in writing that it should cease to have effect;

(ii) the date on which the Company serves written notice on the Employee terminating its effect;

(iii) the date on which HMRC withdraws approval of this Election; or

(iv) the date on which, after due payment of the Employer's Liability in respect of the entirety of the Awards to which this Election relates or could relate, the Election ceases to have effect in accordance with its own terms.

SCHEDULE OF EMPLOYER COMPANIES

The following are employer companies to which this Election may apply:

Employer Company:	Jazz Pharmaceuticals UK Limited
Registered Office:	Wing B, Building 5700 Spires House John Smith Drive - Oxford Business Park South, Oxford OX4 2RW, United Kingdom
Company Registration Number:	4555273
Corporation Tax Reference:	452/76424 00934
Corporation Tax Address:	HM Revenue & Customs CT Operations (Large & Complex Specialist) 16 North Government Buildings Ty Glas, Llanishen Cardiff, CF14 5 FP
PAYE Reference:	120/WZ72892

ATTACHMENT II

JAZZ PHARMACEUTICALS PLC

2011 EQUITY INCENTIVE PLAN

Exhibit 10.3

JAZZ PHARMACEUTICALS PLC
2011 EQUITY INCENTIVE PLAN
NON-U.S. RESTRICTED STOCK UNIT AWARD GRANT NOTICE

Jazz Pharmaceuticals plc (the "***Company***"), pursuant to its 2011 Equity Incentive Plan (the "***Plan***"), hereby awards to Participant the number of restricted stock units ("***RSUs***") specified and on the terms set forth below (the "***Award***"). The Award is subject to all of the terms and conditions as set forth in this Non-U.S. Restricted Stock Unit Award Grant Notice (the "***Grant Notice***") and in the Non-U.S. Restricted Stock Unit Award Agreement, including any country-specific Appendix (the "***Agreement***"), and the Plan, both of which are attached hereto and incorporated herein in their entirety.

Participant:	_____
RSU #:	_____
Date of Grant:	_____
Vesting Commencement Date:	_____
Number of RSUs Subject to Award:	_____
Consideration:	Participant's Services (payment of par value of newly issued shares)

Vesting Schedule:

Issuance Schedule: One Ordinary Share will be issuable for each RSU which vests at the time set forth in Section 6 of the Agreement.

Additional Terms/Acknowledgements: The undersigned Participant acknowledges receipt of, and understands and agrees to, this Grant Notice, the Agreement and the Plan. Participant further acknowledges that as of the Date of Grant, this Grant Notice, the Agreement and the Plan set forth the entire understanding between Participant and the Company regarding the Award and supersede all prior oral and written agreements on that subject, with the exception of: (i) any employment or severance arrangement that would provide for vesting acceleration of the Award upon the terms and conditions set forth therein and (ii) any compensation recovery policy that is adopted by the Company or is otherwise required by applicable law. By accepting this Award, Participant consents to receive Plan documents by electronic delivery and to participate in the Plan through an on-line or electronic system established and maintained by the Company or another third party designated by the Company.

JAZZ PHARMACEUTICALS PLC	**PARTICIPANT**
By: _____	_____
Signature	Signature
Title: _____	Date: _____
Date: _____	

ATTACHMENTS: Non-U.S. Restricted Stock Unit Award Agreement, 2011 Equity Incentive Plan

* * * * *

Based on the form of Non-U.S. Restricted Stock Unit Award Grant Notice for the 2011 Equity Incentive Plan as approved by the Compensation Committee of the Board of Directors of Jazz Pharmaceuticals plc on July 31, 2013.

ATTACHMENT I

NON-U.S. RESTRICTED STOCK UNIT AWARD AGREEMENT

JAZZ PHARMACEUTICALS PLC
2011 EQUITY INCENTIVE PLAN

NON-U.S. RESTRICTED STOCK UNIT AWARD AGREEMENT

Pursuant to your Non-U.S. Restricted Stock Unit Award Grant Notice (the "***Grant Notice***") and this Non-U.S. Restricted Stock Unit Award Agreement, including any country-specific Appendix (the "***Agreement***"), and in consideration of your services, Jazz Pharmaceuticals plc (the "***Company***") has awarded you a Restricted Stock Unit Award (the "***Award***") under its 2011 Equity Incentive Plan (the "***Plan***") for the number of restricted stock units (the "***RSUs***") indicated in your Grant Notice. The Award is granted to you effective as of the date of grant set forth in the Grant Notice (the "***Date of Grant***"). Except as otherwise explicitly provided in the Grant Notice or this Agreement, in the event of any conflict between the terms in the Grant Notice or this Agreement and the Plan, the terms of the Plan shall control. Capitalized terms not explicitly defined in the Grant Notice or this Agreement but defined in the Plan shall have the same definitions as in the Plan.

The details of your Award, in addition to those set forth in the Grant Notice and the Plan, are as follows.

1. GRANT OF THE AWARD. This Award represents your right to be issued on a future date the number of Ordinary Shares that is equal to the number of RSUs indicated in the Grant Notice. As of the Date of Grant, the Company will credit to a bookkeeping account maintained by the Company for your benefit (the "***Account***") the number of RSUs subject to the Award. This Award was granted in consideration of your services to the Company or one of its Affiliates. Except as otherwise provided herein, you will not be required to make any payment to the Company (other than past and future services to the Company or its Affiliates) with respect to your receipt of the Award, the vesting of the RSUs or the delivery of the Ordinary Shares to be issued in respect of the Award; *provided, however*, that to the extent that any Ordinary Shares issued upon settlement of your Award are newly issued Ordinary Shares, a payment must be received by the Company of an amount equal to the par value of such number of newly issued Ordinary Shares (rounded up to the nearest whole cent) in cash, by check, bank draft or money order payable to the Company.

2. VESTING. Subject to Section 11 and the limitations contained herein, your Award will vest, if at all, in accordance with the vesting schedule provided in the Grant Notice, provided that vesting will cease upon the termination of your Continuous Service. Upon such termination of your Continuous Service, the RSUs credited to the Account that were not vested on the date of such termination will be forfeited at no cost to the Company and you will have no further right, title or interest in such RSUs or the Ordinary Shares to be issued in respect of such portion of the Award.

3. NUMBER OF RSUS AND ORDINARY SHARES.

(a) The number of RSUs subject to your Award may be adjusted from time to time for Capitalization Adjustments, as provided in the Plan.

(b) Any additional RSUs that become subject to the Award pursuant to this Section 3 shall be subject, in a manner determined by the Board, to the same forfeiture restrictions, restrictions on transferability, and time and manner of delivery as applicable to the other RSUs covered by your Award.

(c) Notwithstanding the provisions of this Section 3, no fractional Ordinary Shares or rights for fractional Ordinary Shares shall be created pursuant to this Section 3. The Board shall, in its discretion, determine an equivalent benefit for any fractional Ordinary Shares or fractional Ordinary Shares that might be created by the adjustments referred to in this Section 3.

4. SECURITIES LAW COMPLIANCE. You may not be issued any Ordinary Shares in respect of your Award unless either (i) the Ordinary Shares are registered under the Securities Act; or (ii) the Company has determined that such issuance would be exempt from the registration requirements of the Securities Act. Your Award also must comply with other applicable laws and regulations governing the Award, and you will not receive such Ordinary Shares if the Company determines that such receipt would not be in material compliance with such laws and regulations. The Company shall not be liable if Ordinary Shares cannot be issued to you as a consequence of the Company's determination that the issuance of Ordinary Shares does not comply with applicable laws and regulations governing the Award.

5. TRANSFER RESTRICTIONS. Your Award is not transferable, except by will or by the laws of descent and distribution. In addition to any other limitation on transfer created by applicable securities laws, you agree not to assign, hypothecate, donate, encumber or otherwise dispose of any interest in any of the Ordinary Shares subject to the Award until the Ordinary Shares are issued to you in accordance with Section 6 of this Agreement. After the Ordinary Shares have been issued to you, you are free to assign, hypothecate, donate, encumber or otherwise dispose of any interest in such Ordinary Shares provided that any such actions are in compliance with the provisions herein (including the country-specific Appendix hereto) and applicable securities laws.

6. DATE OF ISSUANCE.

(a) To the extent your Award is exempt from application of Section 409A of the Code and any state or foreign law of similar effect (collectively "***Section 409A***"), the Company will deliver to you a number of Ordinary Shares equal to the number of vested RSUs subject to your Award, including any additional RSUs received pursuant to Section 3 above that relate to those vested RSUs on the applicable vesting date(s). However, if a scheduled delivery date falls on a date that is not a U.S. business day, such delivery date shall instead fall on the next following U.S. business day. Notwithstanding the foregoing, in the event that (i) you are subject to the Company's Policy Regarding Stock Trading by Executive Officers, Directors and Other Designated Employees (or any successor policy) (the "***Policy***"), the Company's Policy Against Trading on the Basis of Inside Information, or you are otherwise prohibited from selling Ordinary Shares in the open market

and any Ordinary Shares covered by your Award are scheduled to be delivered on a day (the "***Original Distribution Date***") that does not occur during an open "window period" applicable to you or a day on which you are permitted to sell Ordinary Shares pursuant to a written plan that meets the requirements of Rule 10b5-1 under the Exchange Act, as determined by the Company in accordance with the Policy, or does not occur on a date when you are otherwise permitted to sell Ordinary Shares in the open market, and (ii) the Company elects not to satisfy any Tax-Related Items (defined below) by withholding Ordinary Shares from your distribution, then such Ordinary Shares shall not be delivered on such Original Distribution Date and shall instead be delivered on the first U.S. business day of the next occurring open "window period" applicable to you pursuant to the Policy (regardless of whether you are still providing Continuous Service at such time) or the next U.S. business day when you are not prohibited from selling Ordinary Shares in the open market, but in no event later than the fifteenth (15th) day of the third calendar month of the calendar year following the calendar year in which the Ordinary Shares covered by the Award vest. Delivery of the Ordinary Shares pursuant to the provisions of this Section 6(a) is intended to comply with the requirements for the short-term deferral exemption available under Treasury Regulations Section 1.409A-1(b)(4) and shall be construed and administered in such manner. The form of such delivery of the Ordinary Shares (*e.g.*, a share certificate or electronic entry evidencing such Ordinary Shares) shall be determined by the Company.

(b) The provisions of this Section 6(b) are intended to apply to the extent you are a U.S. taxpayer and your Award is subject to Section 409A because of the terms of a severance arrangement or other agreement between you and the Company, if any, that provide for acceleration of vesting of your Award upon your termination of employment or separation from service (as such term is defined in Section 409A(a)(2)(A)(i) of the Code (and without regard to any alternative definition thereunder)) ("***Separation from Service***") and such severance benefit does not satisfy the requirements for an exemption from application of Section 409A provided under Treasury Regulations Section 1.409A-1(b)(4) or 1.409A-1(b)(9) ("***Non-Exempt Severance Arrangement***"). If you are not a U.S. taxpayer, this Section 6(b) shall not apply to you. To the extent your Award is subject to and not exempt from application of Section 409A due to application of a Non-Exempt Severance Arrangement, the following provisions in this Section 6(b) shall supersede anything to the contrary in Section 6(a).

(i) If your Award vests in the ordinary course during your Continuous Service in accordance with the vesting schedule set forth in the Grant Notice, without accelerating vesting under the terms of a Non-Exempt Severance Arrangement, in no event will the Ordinary Shares be issued in respect of your Award any later than the later of: (A) December 31st of the calendar year that includes the applicable vesting date and (B) the 60th day that follows the applicable vesting date.

(ii) If vesting of your Award accelerates under the terms of a Non-Exempt Severance Arrangement in connection with your Separation from Service, and such vesting acceleration provisions were in effect as of the Date of Grant of your Award and, therefore, are part of the terms of your Award as of the Date of Grant, then the Ordinary Shares will be earlier issued in respect of your Award upon your Separation from Service in accordance with the terms of the Non-Exempt Severance Arrangement, but in no event later than the 60th day that follows the date

of your Separation from Service. However, if at the time the Ordinary Shares would otherwise be issued you are subject to the distribution limitations contained in Section 409A applicable to "specified employees," as defined in Section 409A(a)(2)(B)(i) of the Code, such Ordinary Shares shall not be issued before the date that is six (6) months following the date of your Separation from Service, or, if earlier, the date of your death that occurs within such six (6) month period.

(iii) If vesting of your Award accelerates under the terms of a Non-Exempt Severance Arrangement in connection with your Separation from Service, and such vesting acceleration provisions were not in effect as of the Date of Grant of the Award and, therefore, are not a part of the terms of your Award on the Date of Grant, then such acceleration of vesting of your Award shall not accelerate the issuance date of the Ordinary Shares, but the Ordinary Shares shall instead be issued on the same schedule as set forth in the Grant Notice as if they had vested in the ordinary course during your Continuous Service, notwithstanding the vesting acceleration of the Award. Such issuance schedule is intended to satisfy the requirements of payment on a specified date or pursuant to a fixed schedule, as provided under Treasury Regulations Section 1.409A-3(a)(4).

(c) If you are a U.S. taxpayer and your Award is subject to and not exempt from Section 409A (a "***Non-Exempt Award***"), then the provisions in this Section 6(c) shall apply and supersede anything to the contrary that may be set forth in the Plan, the Grant Notice or in any other section of this Agreement with respect to the permitted treatment of your Non-Exempt Award:

(i) Any exercise by the Board of discretion to accelerate the vesting of your Non-Exempt Award shall not result in any acceleration of the scheduled issuance dates for the Ordinary Shares in respect of the Non-Exempt Award unless earlier issuance of the Ordinary Shares upon the applicable vesting dates would be in compliance with the requirements of Section 409A.

(ii) The Company explicitly reserves the right to (A) earlier settle your Non-Exempt Award to the extent permitted and in compliance with the requirements of Section 409A, including pursuant to any of the exemptions available in Treasury Regulations Section 1.409A-3(j)(4)(ix) and (B) provide that you will receive a cash settlement equal to the Fair Market Value of the Ordinary Shares that would otherwise be issued to you, if applicable and in compliance with the requirements of Section 409A.

(iii) To the extent the terms of your Non-Exempt Award provide that it will be settled upon a Change in Control or Corporate Transaction, to the extent it is required for compliance with the requirements of Section 409A, the Change in Control or Corporate Transaction event triggering settlement must also constitute a change in the ownership or effective control of the Company, or in the ownership of a substantial portion of the Company's assets, Section 409A(a)(2)(A)(v) of the Code and Treasury Regulations Section 1.409A-3(i)(5) (a "***409A Change of Control***"). To the extent the terms of your Non-Exempt Award provide that it will be settled upon a termination of employment or termination of Continuous Service, to the extent it is required for compliance with the requirements of Section 409A, the termination event triggering settlement must also constitute a Separation from Service. However, if at the time the Ordinary Shares would otherwise be issued to you in connection with your Separation from Service, you are subject to the distribution limitations contained in Section 409A applicable to "specified employees," as defined

in Section 409A(a)(2)(B)(i) of the Code, such Ordinary Shares shall not be issued before the date that is six (6) months following the date of your Separation from Service, or, if earlier, the date of your death that occurs within such six (6) month period.

(iv) The provisions in this Agreement for delivery of the Ordinary Shares in respect of the Non-Exempt Award are intended to comply with the requirements of Section 409A so that the delivery of the Ordinary Shares to you in respect of your Non-Exempt Award will not trigger the additional tax imposed under Section 409A, and any ambiguities herein will be so interpreted.

7. DIVIDENDS. You shall receive no benefit or adjustment to your Award with respect to any cash dividend, share dividend or other distribution that does not result from a Capitalization Adjustment as provided in the Plan; *provided, however*, that this sentence shall not apply with respect to any Ordinary Shares that are delivered to you in connection with your Award after such Ordinary Shares have been delivered to you.

8. RESTRICTIVE LEGENDS. The Ordinary Shares issued in respect of your Award shall be endorsed with appropriate legends determined by the Company.

9. AWARD NOT A SERVICE CONTRACT.

(a) Nothing in this Agreement (including, but not limited to, the vesting of your Award pursuant to the schedule set forth in Section 2 herein or the issuance of the Ordinary Shares in respect of your Award), the Plan or any covenant of good faith and fair dealing that may be found implicit in this Agreement or the Plan shall: (i) confer upon you any right to continue in the employ of, or affiliation with, the Company or an Affiliate; (ii) constitute any promise or commitment by the Company or an Affiliate regarding the fact or nature of future positions, future work assignments, future compensation or any other term or condition of employment or affiliation; (iii) confer any right or benefit under this Agreement or the Plan unless such right or benefit has specifically accrued under the terms of this Agreement or Plan; or (iv) deprive the Company or its Affiliates, as applicable, of the right to terminate you without regard to any future vesting opportunity that you may have.

(b) By accepting this Award, you acknowledge and agree that the right to continue vesting in the Award pursuant to the schedule set forth in Section 2 is earned only by providing Continuous Service (not through the act of being hired, being granted this Award or any other award or benefit) and that the Company has the right to reorganize, sell, spin-out or otherwise restructure one or more of its businesses or Affiliates at any time or from time to time, as it deems appropriate (a "reorganization"). You further acknowledge and agree that such a reorganization could result in the termination of your Continuous Service, or the termination of Affiliate status of your employer and the loss of benefits available to you under this Agreement, including but not limited to, the termination of the right to continue vesting in the Award. You further acknowledge and agree that this Agreement, the Plan, the transactions contemplated hereunder and the vesting schedule set forth herein or any covenant of good faith and fair dealing that may be found implicit in any of them do not constitute an express or implied promise of continued engagement as an employee or consultant for the term of this Agreement, for any period, or at all, and shall not interfere

in any way with your right or the right of the Company or its Affiliate, as applicable, to terminate your Continuous Service at any time.

10. TAX WITHHOLDING OBLIGATIONS.

(a) On or before the time you receive a distribution of the Ordinary Shares subject to your Award, or at any time thereafter as requested by the Company, you hereby authorize the Company or, if different, your employer (the "***Employer***") to withhold from the Ordinary Shares issuable to you an amount sufficient to satisfy any income tax, social insurance, payroll tax, fringe benefits tax, payment on account or other tax-related items which arise in connection with your Award ("***Tax-Related Items***"), where the Fair Market Value of the Ordinary Shares is measured as of the date the Ordinary Shares are issued pursuant to Section 6. Additionally, the Company or the Employer may, in its sole discretion, satisfy all or any portion of the Tax-Related Items obligation relating to your Award by any of the following means or by a combination of such means: (i) withholding from any compensation otherwise payable to you by the Company or your Employer; (ii) causing you to tender a cash payment; or (iii) permitting or requiring you to enter into a "same day sale" commitment with a broker-dealer that is a member of the Financial Industry Regulatory Authority (a "***FINRA Dealer***") whereby you irrevocably elect to sell a portion of the Ordinary Shares to be delivered in connection with your Award to satisfy the Tax-Related Items and whereby the FINRA Dealer irrevocably commits to forward the proceeds necessary to satisfy the Tax-Related Items directly to the Company and/or its Affiliates. Depending on the withholding method, the Company may withhold or account for Tax-Related Items by considering applicable minimum statutory withholding amounts or other applicable withholding rates, including maximum applicable rates, in which case you will receive a refund of any over-withheld amount in cash and will have no entitlement to the Ordinary Share equivalent. If the obligation for Tax-Related Items is satisfied by withholding from Ordinary Shares otherwise issuable to you, for tax purposes, you are deemed to have been issued the full number of Ordinary Shares subject to the vested RSUs, notwithstanding that a number of the Ordinary Shares are held back solely for the purpose of paying the Tax-Related Items. Furthermore, you acknowledge that the Company and/or your Employer make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Award grant, including, but not limited to, the grant or vesting of the RSUs, the subsequent sale of Ordinary Shares acquired pursuant to such vesting and the receipt of any dividends, and do not commit to and are under no obligation to structure the terms of the grant or any aspect of the Award to reduce or eliminate your liability for Tax-Related Items or achieve any particular tax result. You further acknowledge that if you become subject to tax in more than one jurisdiction between the Date of Grant and the date of any relevant taxable event, the Company and/or your Employer (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

(b) Unless the tax withholding obligations of the Company and/or the Employer are satisfied, the Company and/or the Employer shall have no obligation to deliver to you any Ordinary Shares.

(c) In the event the Company's and/or the Employer's obligation to withhold arises prior to the delivery to you of Ordinary Shares or it is determined after the delivery of Ordinary

Shares to you that the amount of the Company's and/or the Employer's withholding obligation was greater than the amount withheld by the Company and/or the Employer, you agree to indemnify and hold the Company harmless from any failure by the Company and/or the Employer to withhold the proper amount.

11. CHANGE IN CONTROL.

(a) If your Continuous Service terminates either within twelve (12) months following or one (1) month prior to the effective date of a Change in Control due to an Involuntary Termination Without Cause, the vesting of the RSUs subject to this Award shall be accelerated in full. In order to give effect to the intent of this provision, in the event of your Involuntary Termination Without Cause, notwithstanding anything to the contrary set forth in the Plan or Section 2 of this Agreement, in no event will any portion of this Award be forfeited or terminate any earlier than one (1) month following such termination date.

(b) For purposes of this Agreement, "***Involuntary Termination Without Cause***" means the involuntary termination of your Continuous Service for reasons other than death, Disability, or Cause. For this purpose, "Cause" means the occurrence of any of the following events that has a material negative impact on the business or reputation of the Company or an Affiliate: (i) your conviction for any criminal offence (other than an offence under any road traffic legislation for which a fine or non-custodial penalty is imposed) or any offence under any regulation or legislation relating to insider dealing, fraud or dishonesty; (ii) your attempted commission of, or participation in, a fraud or act of dishonesty against the Company or an Affiliate; (iii) your intentional, material violation of any contract or agreement between you and the Company or an Affiliate, or of any statutory duty owed to the Company or an Affiliate; (iv) your unauthorized use or disclosure of the Company's or an Affiliate's confidential information or trade secrets; or (v) your gross misconduct. The determination that a termination of your Continuous Service is either for Cause or without Cause shall be made by the Company in its sole discretion. Any determination by the Company that your Continuous Service was terminated with or without Cause for the purposes of this Agreement shall have no effect upon any determination of the rights or obligations of the Company or an Affiliate or you for any other purpose.

12. PARACHUTE PAYMENTS.

(a) If you are a U.S. taxpayer and any payment or benefit you would receive from the Company or otherwise in connection with a Change in Control or other similar transaction ("***Payment***") would (i) constitute a "parachute payment" within the meaning of Section 280G of the Code, and (ii) but for this sentence, be subject to the excise tax imposed by Section 4999 of the Code (the "***Excise Tax***"), then such Payment shall be equal to the Reduced Amount. The "Reduced Amount" shall be either (x) the largest portion of the Payment that would result in no portion of the Payment being subject to the Excise Tax, or (y) the largest portion, up to and including the total, of the Payment, whichever amount ((x) or (y)), after taking into account all applicable federal, state, foreign and local employment taxes, income taxes, and the Excise Tax (all computed at the highest applicable marginal rate), results in your receipt, on an after-tax basis, of the greater amount of the Payment notwithstanding that all or some portion of the Payment may be subject to the Excise Tax. If a reduction in payments or benefits constituting "parachute payments" is necessary so that the

Payment equals the Reduced Amount, reduction shall occur in the manner that results in the greatest economic benefit for you.

(b) The independent registered public accounting firm engaged by the Company for general audit purposes as of the day prior to the effective date of the event described in Section 280G(b)(2)(A)(i) of the Code shall perform the foregoing calculations. If the independent registered public accounting firm so engaged by the Company is serving as accountant or auditor for the individual, entity or group effecting such Change in Control or similar transaction, the Company shall appoint a nationally recognized independent registered public accounting firm to make the determinations required hereunder. The Company shall bear all expenses with respect to the determinations by such independent registered public accounting firm required to be made hereunder.

(c) The independent registered public accounting firm engaged to make the determinations hereunder shall provide its calculations, together with detailed supporting documentation, to the Company and you within thirty (30) calendar days after the date on which your right to a Payment is triggered (if requested at that time by the Company or you) or such other time as reasonably requested by the Company or you. Any good faith determinations of the independent registered public accounting firm made hereunder shall be final, binding and conclusive upon the Company and you.

13. UNSECURED OBLIGATION. Your Award is unfunded, and as a holder of a vested Award, you shall be considered an unsecured creditor of the Company with respect to the Company's obligation, if any, to issue Ordinary Shares pursuant to this Agreement. You shall not have voting or any other rights as a shareholder of the Company with respect to the Ordinary Shares to be issued pursuant to this Agreement until such Ordinary Shares are issued to you pursuant to Section 6 of this Agreement. Upon such issuance, you will obtain full voting and other rights as a shareholder of the Company. Nothing contained in this Agreement, and no action taken pursuant to its provisions, shall create or be construed to create a trust of any kind or a fiduciary relationship between you and the Company or any other person.

14. OTHER DOCUMENTS. You hereby acknowledge receipt or the right to receive a document providing the information required by Rule 428(b)(1) promulgated under the Securities Act, which includes the Plan prospectus. In addition, you acknowledge receipt of the Company's policy permitting officers and directors to sell Ordinary Shares only during certain "window" periods and the Company's insider trading policy, in effect from time to time.

15. NATURE OF GRANT. In accepting the grant, you acknowledge, understand and agree that:

(a) the Plan is established voluntarily by the Company, it is discretionary in nature and it may be modified, amended, suspended or terminated by the Company at any time, to the extent permitted by the Plan;

(b) the Award grant is voluntary and occasional and does not create any contractual or other right to receive future grants of RSUs, or benefits in lieu of RSUs, even if RSUs have been granted in the past;

(c) all decisions with respect to future grants of RSUs or other grants, if any, will be at the sole discretion of the Company;

(d) you are voluntarily participating in the Plan;

(e) the RSUs and the Ordinary Shares subject to the RSUs, and the income and value of same, are not intended to replace any pension rights or compensation;

(f) the RSUs and the Ordinary Shares subject to the RSUs, and the income and value of same, are not part of normal or expected compensation for any purpose, including, without limitation, calculating any severance, resignation, termination, redundancy, dismissal, end-of-service payments, bonuses, long-service awards, pension or retirement or welfare benefits or similar payments;

(g) the future value of the underlying Ordinary Shares is unknown, indeterminable and cannot be predicted with certainty;

(h) no claim or entitlement to compensation or damages shall arise from forfeiture of the Award resulting from the termination of your Continuous Service (for any reason whatsoever, whether or not later found to be invalid or in breach of employment laws in the jurisdiction where you are providing Continuous Service or the terms of your employment agreement, if any), and in consideration of the Award, you agree not to institute any claim against the Company, any Affiliate or the Employer;

(i) unless otherwise agreed with the Company, the RSUs and the Ordinary Shares subject to the RSUs, and the income and value of same, are not granted as consideration for, or in connection with, the service you may provide as a director of the Company or any Affiliate;

(j) unless otherwise provided in the Plan or by the Company in its discretion, the Award and the benefits evidenced by this Agreement do not create any entitlement to have the Award or any such benefits transferred to, or assumed by, another company nor to be exchanged, cashed out or substituted for, in connection with any corporate transaction affecting the Ordinary Shares; and

(k) neither the Company, the Employer nor any Affiliate shall be liable for any foreign exchange rate fluctuation between your local currency and the United States Dollar that may affect the value of the Award or of any amounts due to you pursuant to the settlement of the Award or the subsequent sale of any Ordinary Shares acquired upon settlement.

16. NO ADVICE REGARDING GRANT. The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding your participation in the Plan, or your acquisition or sale of the underlying Ordinary Shares. You are

hereby advised to consult with your own personal tax, legal and financial advisors regarding your participation in the Plan before taking any action related to the Plan.

17. DATA PRIVACY. The Employer, the Company and any Affiliate may collect, use, process, transfer or disclose your Personal Information for the purpose of implementing, administering and managing your participation in the Plan, in accordance with the Jazz Pharmaceuticals Employee Data Privacy Notice you have previously received. (Please contact Human Resources if you would like to receive another copy of this notice.) For example, your Personal Information may be directly or indirectly transferred to E*TRADE or any other third party stock plan service provider as may be selected by the Company, and any other third parties assisting the Company with the implementation, administration and management of the Plan.

18. GOVERNING LAW AND VENUE. The Award and the provisions of this Agreement are governed by, and subject to, the laws of the State of Delaware, without regard to the conflict of law provisions.

For purposes of any action, lawsuit or other proceedings brought to enforce this Agreement, relating to it, or arising from it, the parties hereby submit to and consent to the sole and exclusive jurisdiction of the courts of Santa Clara County, California, or the federal courts for the United States for the Northern District of California, and no other courts, where this grant is made and/or to be performed.

19. LANGUAGE. If you have received this Agreement or any other document related to the Plan translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control.

20. APPENDIX. Notwithstanding any provisions in this Agreement, the Award shall be subject to any special terms and conditions set forth in any Appendix to this Agreement for your country. Moreover, if you relocate to one of the countries included in the Appendix, the special terms and conditions for such country will apply to you, to the extent the Company determines that the application of such terms and conditions is necessary or advisable for legal or administrative reasons. The Appendix constitutes part of this Agreement.

21. NOTICES; ELECTRONIC DELIVERY. Any notices provided for in your Award or the Plan shall be given in writing (including electronically) and shall be deemed effectively given upon receipt or, in the case of notices delivered by the Company to you, fourteen (14) days after deposit in the United States mail, postage prepaid, addressed to you at the last address you provided to the Company. Notwithstanding the foregoing, the Company may, in its sole discretion, decide to deliver any documents related to participation in the Plan and this Award by electronic means or to request your consent to participate in the Plan by electronic means. By accepting this Award you consent to receive such documents by electronic delivery and, if requested, to agree to participate in the Plan through an on-line or electronic system established and maintained by the Company or another third party designated by the Company.

22. MISCELLANEOUS.

(a) All covenants and agreements hereunder shall inure to the benefit of, and be enforceable by the Company's successors and assigns, if any. Your rights and obligations under your Award may only be assigned with the prior written consent of the Company.

(b) You agree upon request to execute any further documents or instruments necessary or desirable in the sole determination of the Company to carry out the purposes or intent of your Award.

(c) You acknowledge and agree that you have reviewed your Award in its entirety, have had an opportunity to obtain the advice of counsel prior to executing and accepting your Award, and fully understand all provisions of your Award.

(d) All obligations of the Company under the Plan and this Agreement shall be binding on any successor to the Company, whether the existence of such successor is the result of a direct or indirect purchase, merger, consolidation, or otherwise, of all or substantially all of the business and/or assets of the Company.

23. INSIDER TRADING / MARKET ABUSE LAWS. You may be subject to insider trading restrictions and/or market abuse laws based on the exchange on which the Ordinary Shares are listed and in applicable jurisdictions including the United States and your country or your broker's country, if different, which may affect your ability to accept, acquire, sell or otherwise dispose of Ordinary Shares, rights to Ordinary Shares (e.g., RSUs) or rights linked to the value of Ordinary Shares under the Plan during such times as you are considered to have "inside information" regarding the Company (as defined by the laws in the applicable jurisdictions). Local insider trading laws and regulations may prohibit the cancellation or amendment of orders you placed before you possessed inside information. Furthermore, you could be prohibited from (a) disclosing the inside information to any third party and (b) "tipping" third parties or causing them otherwise to buy or sell securities (third parties include fellow employees). Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under the Company's insider trading policy as may be in effect from time to time. You acknowledge that it is your responsibility to comply with any applicable restrictions, and you should speak to your personal advisor on this matter.

24. FOREIGN ASSET/ACCOUNT, EXCHANGE CONTROL AND TAX REPORTING. You may be subject to foreign asset/account, exchange control and/or tax reporting requirements as a result of the acquisition, holding and/or transfer of Ordinary Shares or cash (including dividends and the proceeds arising from the sale of Ordinary Shares) derived from your participation in the Plan, to and/or from a brokerage/bank account or legal entity located outside your country. The applicable laws of your country may require that you report such accounts, assets, the balances therein, the value thereof and/or the transactions related thereto to the applicable authorities in such country. You acknowledge that you are responsible for ensuring compliance with any applicable foreign asset/account, exchange control and tax reporting requirements and should consult your personal legal advisor on this matter.

25. GOVERNING PLAN DOCUMENT. Your Award is subject to all the provisions of the Plan, the provisions of which are hereby made a part of your Award, and is further subject to all interpretations, amendments, rules and regulations which may from time to time be promulgated and adopted pursuant to the Plan. Except as expressly provided in this Agreement, in the event of any conflict between the provisions of your Award and those of the Plan, the provisions of the Plan shall control. In addition, your Award (and any compensation paid or Ordinary Shares issued under your Award) is subject to recoupment in accordance with the Dodd–Frank Wall Street Reform and Consumer Protection Act and any implementing regulations thereunder, any clawback policy adopted by the Company and any compensation recovery policy otherwise required by applicable law.

26. SEVERABILITY. If all or any part of this Agreement or the Plan is declared by any court or governmental authority to be unlawful or invalid, such unlawfulness or invalidity shall not invalidate any portion of this Agreement or the Plan not declared to be unlawful or invalid. Any Section of this Agreement (or part of such a Section) so declared to be unlawful or invalid shall, if possible, be construed in a manner which will give effect to the terms of such Section or part of a Section to the fullest extent possible while remaining lawful and valid.

27. AMENDMENT. Notwithstanding anything in the Plan to the contrary, the Board reserves the right to change, by written notice to you, the provisions of this Agreement in any way it may deem necessary or advisable for legal or administrative reasons, and to require you to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

28. HEADINGS. The headings of the Sections in this Agreement are inserted for convenience only and shall not be deemed to constitute a part of this Agreement or to affect the meaning of this Agreement.

29. WAIVER. You acknowledge that a waiver by the Company of breach of any provision of this Agreement shall not operate or be construed as a waiver of any other provision of this Agreement, or of any subsequent breach by you or any other Participant.

* * * * *

By signing the Non-U.S. Restricted Stock Unit Award Grant Notice to which this Non-U.S. Restricted Stock Unit Award Agreement is attached, you shall be deemed to have signed and agreed to the terms and conditions of this Non-U.S. Restricted Stock Unit Award Agreement.

* * * * *

Based on the form of Non-U.S. Restricted Stock Unit Award Agreement for the 2011 Equity Incentive Plan as approved by the Compensation Committee of the Board of Directors of Jazz Pharmaceuticals plc (the "***Committee***") on July 31, 2013, and as amended and restated by the Committee on May 4, 2016 and November 2, 2016, and further amended and restated by delegation of the Compensation Committee on May 25, 2018.

APPENDIX

TO THE

NON-U.S. RESTRICTED STOCK UNIT AWARD AGREEMENT

TERMS AND CONDITIONS

This Appendix contains additional terms and conditions that govern the Award granted under the Plan to you if you reside and/or work in one of the countries listed below. Certain capitalized terms used but not defined in this Appendix have the meanings set forth in the Plan and/or the Agreement.

If you are a citizen or resident of a country other than the one in which you are currently working, transfer employment and/or residency after the RSUs are granted, or are considered a resident of another country for local law purposes, the information contained herein may not be applicable to you, and the Company shall, in its discretion, determine to what extent the terms and conditions contained herein shall apply to you.

NOTIFICATIONS

This Appendix contains information regarding exchange controls and certain other issues of which you should be aware with respect to participation in the Plan. The information is based on the securities, exchange control, and other laws in effect in the respective countries as of May 2018. Such laws are often complex and change frequently. As a result, the Company strongly recommends that you not rely on the information in this Appendix as the only source of information relating to the consequences of your participation in the Plan because the information may be out of date at the time you vest in the RSUs or sell Ordinary Shares acquired pursuant thereto.

The information contained herein is general in nature and may not apply to your particular situation, and the Company is not in a position to assure you of a particular result. Accordingly, you are advised to seek appropriate professional advice as to how the relevant laws in your country may apply to your situation.

AUSTRIA

Exchange Control Notification. If you hold Ordinary Shares acquired under the Plan outside of Austria, you must submit a report to the Austrian National Bank. An exemption applies if the value of the Ordinary Shares as of any given quarter does not meet or exceed €30,000,000 or if the value of the Ordinary Shares in any given year as of December 31 does not meet or exceed €5,000,000. If the former threshold is exceeded, quarterly obligations are imposed, whereas if the latter threshold is exceeded, annual reports must be given. The annual reporting date is December 31 and the deadline for filing the annual report is March 31 of the following year.

A separate reporting requirement applies when you sell Ordinary Shares acquired under the Plan or receive a dividend. In that case, there may be exchange control obligations if the cash proceeds are held outside of Austria. If the transaction volume of all accounts abroad meets or exceeds

€10,000,000, the movements and balances of all accounts must be reported monthly, as of the last day of the month, on or before the 15th day of the following month, on the prescribed form (*Meldungen SI-Forderungen und/oder SI-Verpflichtungen*).

BELGIUM

NOTIFICATIONS

Foreign Asset / Account Reporting. Belgian residents are required to report any securities held (*e.g.,* Ordinary Shares) or bank accounts (including brokerage accounts) opened and maintained outside of Belgium on their annual tax returns. Belgian residents are also required to complete a separate report, providing the Central Contact Point of the National Bank of Belgium with details regarding any such account, including the account number, the name of the bank in which such account is held and the country in which such account is located the first time they report the foreign security and/or bank account on their annual tax returns. The forms to complete this report are available on the website of the National Bank of Belgium, www.nbb.be, under *Kredietcentrales / Centrales des crédits* caption. You should consult your personal tax advisor to ensure compliance with applicable reporting obligations.

CANADA

TERMS AND CONDITIONS

Settlement of RSUs. Notwithstanding any discretion contained in the Plan, the grant of RSUs does not provide any right for you to receive a cash payment; the RSUs are payable in Ordinary Shares only.

Involuntary Termination Terms. In the event of involuntary termination of your Continuous Service (regardless of the reason for such termination and whether or not later found to be invalid or in breach of employment laws in the jurisdiction where you are providing Continuous Service or the terms of your employment agreement, if any), vesting will terminate as of the date that is the earlier of: (1) the date you receive notice of termination of employment from the Employer, or (2) the date you are no longer actively rendering services, regardless of any notice period or period of pay in lieu of such notice required under local law (including, but not limited to, statutory law, regulatory law, and/or common law); the Board or the chief executive officer of the Company or an Affiliate, as applicable, shall have the exclusive discretion to determine when you are no longer actively employed or rendering services for purposes of the RSUs.

The following provisions apply if Participant resides in Quebec:

Consent to Receive Information in English. The parties acknowledge that it is their express wish that the Agreement, as well as all documents, notices and legal proceedings entered into, given or instituted pursuant hereto or relating directly or indirectly hereto, be drawn up in English.

Consentement Pour Recevoir Des Informations en Anglais. *Les parties reconnaissent avoir exigé la rédaction en anglais de la convention, ainsi que de tous documents, avis et procédures judiciaires,*

exécutés, donnés ou intentés en vertu de, ou liés directement ou indirectement à, la présente convention.

NOTIFICATIONS

Securities Law Notification. You will not be permitted to sell or otherwise dispose of the Ordinary Shares acquired under the Plan within Canada. You will be permitted to sell or dispose of any Ordinary Shares only if such sale or disposal takes place outside of Canada through the facilities of the stock exchange on which the Ordinary Shares are traded (*i.e.,* Nasdaq).

Foreign Asset / Account Reporting. Canadian residents are required to report any foreign specified property (including unvested RSUs and Ordinary Shares) annually on Form T1135 (Foreign Income Verification Statement) if the total cost of the foreign specified property exceeds C$100,000 at any time during the year. The form must be filed by April 30th of the following year. RSUs must be reported - generally at a nil cost - if the C$100,000 cost threshold is exceeded because of other foreign specified property. When Ordinary Shares are acquired, their cost generally is the adjusted cost base ("***ACB***") of the Ordinary Shares. The ACB would ordinarily equal the fair market value of the Ordinary Shares at the time of acquisition, but if other shares are also owned, this ACB may have to be averaged with the ACB of the other shares. You should consult your personal tax advisor to ensure compliance with applicable reporting obligations.

FRANCE

TERMS AND CONDITIONS

Language Consent. By accepting the grant, you confirm that you have read and understood the documents relating to the grant (the Plan and the Agreement, including this Appendix) which were provided in the English language. You accept the terms of these documents accordingly.

Consentement Relatif à la Langue Utilisée. *En acceptant l'attribution, vous confirmez avoir lu et compris les documents relatifs à l'attribution (le Plan et le Contrat, y compris cette Annexe) qui ont été communiqués en langue anglaise. Vous acceptez les termes de ces documents en connaissance de cause.*

NOTIFICATIONS

Foreign Asset / Account Reporting. If you hold Ordinary Shares outside of France or maintain a foreign bank account, you are required to report such to the French tax authorities when filing your annual tax return.

GERMANY

NOTIFICATIONS

Exchange Control Notification. Cross-border payments in excess of €12,500 must be reported monthly to the German Federal Bank (*Bundesbank*). Effective from September 2013, the report must be filed electronically. The form of report (*Allgemeines Meldeportal Statistik*) can be accessed

via the *Bundesbank's* website (www.bundesbank.de) and is available in both German and English. You are responsible for satisfying the reporting obligations.

IRELAND

TERMS AND CONDITIONS

Vesting and Issuance. The following supplements Sections 2 and 6 of the Agreement:

Notwithstanding the vesting schedule provided in the Grant Notice and Section 6 (a) of the Agreement, (i) if any vesting date set forth in the Grant Notice ("***Vesting Date***") falls on a date when the Company determines that you are not permitted to sell Ordinary Shares in the open market for any reason, including under the Company's Policy Regarding Stock Trading by Executive Officers, Directors and Other Designated Employees (or any successor policy) or the Company's Policy Against Trading on the Basis of Inside Information (or any successor policy), and (ii) the Company elects not to satisfy any Tax-Related Items (defined in Section 10) by withholding Ordinary Shares, then such Vesting Date shall instead be the later of the next U.S. business day of the next occurring open "window period" applicable to you or the next U.S. business day when the Company determines that you are not prohibited from selling Ordinary Shares in the open market (such later date, the "***Actual Vesting Date***").

Notwithstanding the foregoing and Section 2 of the Agreement, if your Continuous Service terminates between the Vesting Date and the Actual Vesting Date, then the vesting of the Ordinary Shares subject to the Award originally scheduled to vest on the Vesting Date will cease and not vest upon termination of your Continuous Service, unless your Continuous Service terminates for a reason other than Cause, in which case they will instead vest in full on the first U.S. business day following the termination of your Continuous Service.

NOTIFICATIONS

Director Notification Obligation. If you are a director, shadow director or secretary of the Company or an Irish Affiliate, you must notify the Company or the Irish Affiliate in writing if you receive or dispose of an interest exceeding 1% of the Company (*e.g.,* RSUs, Ordinary Shares), or become aware of the event giving rise to the notification requirement, or if you become a director or secretary if such an interest exceeding 1% of the Company exists at the time. This notification requirement also applies with respect to the interests of a spouse or minor children (whose interests will be attributed to the director, shadow director or secretary, as applicable).

ITALY

TERMS AND CONDITIONS

Tax Withholding Obligations. The following provisions replace Section 10 of the Agreement:

1. TAX WITHHOLDING OBLIGATIONS.

(a) On or before the time you receive a distribution of the Ordinary Shares subject to your Award, or at any time thereafter as requested by the Company, you hereby authorize the Company or, if different, your employer (the "***Employer***") to withhold from the Ordinary Shares issuable to you an amount sufficient to satisfy any income tax, social insurance, payroll tax, fringe benefits tax, payment on account or other tax-related items which arise in connection with your Award ("***Tax-Related Items***"). Additionally, the Company or the Employer may, in its sole discretion, satisfy all or any portion of the Tax-Related Items obligation relating to your Award by any of the following means or by a combination of such means: (i) withholding from any compensation otherwise payable to you by the Company or your Employer; (ii) causing you to tender a cash payment; or (iii) permitting or requiring you to enter into a "same day sale" commitment with a broker-dealer that is a member of the Financial Industry Regulatory Authority (a "***FINRA Dealer***") whereby you irrevocably elect to sell a portion of the Ordinary Shares to be delivered in connection with your Award to satisfy the Tax-Related Items and whereby the FINRA Dealer irrevocably commits to forward the proceeds necessary to satisfy the Tax-Related Items directly to the Company and/or its Affiliates. Depending on the withholding method, the Company may withhold or account for Tax-Related Items by considering applicable minimum statutory withholding amounts or other applicable withholding rates, including maximum applicable rates, in which case you will receive a refund of any over-withheld amount in cash and will have no entitlement to the Ordinary Share equivalent. If the obligation for Tax-Related Items is satisfied by withholding from Ordinary Shares otherwise issuable to you, for tax purposes, you are deemed to have been issued the full number of Ordinary Shares subject to the vested RSUs, notwithstanding that a number of the Ordinary Shares are held back solely for the purpose of paying the Tax-Related Items. Furthermore, you acknowledge that the Company and/or your Employer make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Award grant, including, but not limited to, the grant or vesting of the RSUs, the subsequent sale of Ordinary Shares acquired pursuant to such vesting and the receipt of any dividends, and do not commit to and are under no obligation to structure the terms of the grant or any aspect of the Award to reduce or eliminate your liability for Tax-Related Items or achieve any particular tax result. You further acknowledge that if you become subject to tax in more than one jurisdiction between the Date of Grant and the date of any relevant taxable event, the Company and/or your Employer (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

(b) Unless the tax withholding obligations of the Company and/or the Employer are satisfied, the Company and/or the Employer shall have no obligation to deliver to you any Ordinary Shares.

(c) In the event the Company's and/or the Employer's obligation to withhold arises prior to the delivery to you of Ordinary Shares or it is determined after the delivery of Ordinary Shares to you that the amount of the Company's and/or the Employer's withholding obligation was greater than the amount withheld by the Company and/or the Employer, you agree to indemnify and hold the Company harmless from any failure by the Company and/or the Employer to withhold the proper amount.

Acknowledgement. You acknowledge that you have read and specifically and expressly approve the following sections of the Agreement: Section 10 - Tax Withholding Obligations; Section 15 - Nature of Grant; Section 17 - Data Privacy; Section 18 - Governing Law and Venue; Section 19 - Language; Section 21- Notices; Electronic Delivery; and Section 26 - Severability.

NOTIFICATIONS

Foreign Asset / Account Reporting. Italian residents who, at any time during the fiscal year, hold foreign financial assets (including Ordinary Shares) which may generate income taxable in Italy are required to report these assets on their annual tax returns (UNICO Form, RW Schedule) for the year during which the assets are held, or on a special form if no tax return is due. These reporting obligations will also apply to Italian residents who are the beneficial owners of foreign financial assets under Italian money laundering provisions. You are responsible for complying with this reporting obligation and should speak with your personal legal advisor in this regard.

NETHERLANDS

There are no country-specific provisions.

POLAND

NOTIFICATIONS

Exchange Control Notification. Polish residents are required to file quarterly reports to the National Bank of Poland with information on transactions and balances regarding their rights to Ordinary Shares (such as RSUs) and Ordinary Shares if the total value (calculated individually or together with other assets and liabilities possessed abroad) exceeds PLN 7 million.

Polish residents also are required to transfer funds through a bank account in Poland if the transferred amount in any single transaction exceeds a specified threshold (currently €15,000, unless the transfer of funds is considered to be connected with the business activity of an entrepreneur, in which case a lower threshold may apply). Polish residents are required to retain documents connected with foreign exchange transactions for a period of five years from the date the exchange transaction was made.

PORTUGAL

TERMS AND CONDITIONS

Language Consent. You hereby expressly declare that you have full knowledge of the English language and have read, understood and fully accepted and agreed with the terms and conditions established in the Plan and the Agreement.

Conhecimento da Lingua. Por meio do presente, eu declaro expressamente que tem pleno conhecimento da língua inglesa e que li, compreendi e livremente aceitei e concordei com os termos e condições estabelecidas no Plano e no Acordo.

NOTIFICATIONS

Exchange Control Notification. If you acquire Ordinary Shares under the Plan and hold the Ordinary Shares with a U.S. broker that is not a Portuguese financial intermediary, you may need to file a report with the Portuguese Central Bank. If the Ordinary Shares are held by a Portuguese financial intermediary, it will file the report for you.

SPAIN

TERMS AND CONDITIONS

Tax Withholding Obligations. The following provisions replace Section 10 of the Agreement:

1. TAX WITHHOLDING OBLIGATIONS.

(a) On or before the time you receive a distribution of the Ordinary Shares subject to your Award, or at any time thereafter as requested by the Company, you hereby authorize the Company or, if different, your employer (the "***Employer***") to withhold from the Ordinary Shares issuable to you an amount sufficient to satisfy any income tax, social insurance, payroll tax, fringe benefits tax, payment on account or other tax-related items which arise in connection with your Award ("***Tax-Related Items***"), where the Fair Market Value of the Ordinary Shares is measured as of the date the Ordinary Shares are issued pursuant to Section 6. Additionally, the Company or the Employer may, in its sole discretion, satisfy all or any portion of the Tax-Related Items obligation relating to your Award by any of the following means or by a combination of such means: (i) withholding from any compensation otherwise payable to you by the Company or your Employer; (ii) causing you to tender a cash payment; or (iii) permitting or requiring you to enter into a "same day sale" commitment with a broker-dealer that is a member of the Financial Industry Regulatory Authority (a "***FINRA Dealer***") whereby you irrevocably elect to sell a portion of the Ordinary Shares to be delivered in connection with your Award to satisfy the Tax-Related Items and whereby the FINRA Dealer irrevocably commits to forward the proceeds necessary to satisfy the Tax-Related Items directly to the Company and/or its Affiliates. Depending on the withholding method, the Company may withhold or account for Tax-Related Items by considering applicable minimum statutory withholding amounts or other applicable withholding rates, including maximum applicable rates, in which case you will receive a refund of any over-withheld amount in cash and will have no entitlement to the Ordinary Share equivalent. If the obligation for Tax-Related Items is satisfied

by withholding from Ordinary Shares otherwise issuable to you, for tax purposes, you are deemed to have been issued a cash bonus in the amount of the Ordinary Shares that are held back for the purpose of paying the Tax-Related Items and compensation in kind corresponding to the number of Ordinary Shares issued to you. Furthermore, you acknowledge that the Company and/or your Employer make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Award grant, including, but not limited to, the grant or vesting of the RSUs, the subsequent sale of Ordinary Shares acquired pursuant to such vesting and the receipt of any dividends, and do not commit to and are under no obligation to structure the terms of the grant or any aspect of the Award to reduce or eliminate your liability for Tax-Related Items or achieve any particular tax result. You further acknowledge that if you become subject to tax in more than one jurisdiction between the Date of Grant and the date of any relevant taxable event, the Company and/or your Employer (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

(b) Unless the tax withholding obligations of the Company and/or the Employer are satisfied, the Company and/or the Employer shall have no obligation to deliver to you any Ordinary Shares.

(c) In the event the Company's and/or the Employer's obligation to withhold arises prior to the delivery to you of Ordinary Shares or it is determined after the delivery of Ordinary Shares to you that the amount of the Company's and/or the Employer's withholding obligation was greater than the amount withheld by the Company and/or the Employer, you agree to indemnify and hold the Company harmless from any failure by the Company and/or the Employer to withhold the proper amount.

Nature of Grant. This provision supplements Section 15 of the Agreement:

In accepting the RSUs, you consent to participate in the Plan and acknowledge having received and read a copy of the Plan.

You understand that the Company has unilaterally, gratuitously and discretionally decided to grant the RSUs under the Plan to individuals who may be employees of the Employer, the Company or any Affiliate throughout the world. The decision is a limited decision that is entered into upon the express assumption and condition that any grant will not bind the Company or any Affiliate except as set forth in the Plan or Agreement. Consequently, you understand that the RSUs are granted on the assumption and condition that such RSUs and any Ordinary Shares acquired upon vesting of the RSUs shall not become a part of any employment contract (either with the Employer or the Company or any Affiliate) and shall not be considered a mandatory benefit, salary for any purpose (including severance compensation) or any other right whatsoever. In addition, you understand that the RSUs would not be granted but for the assumptions and conditions referred to above; thus, you acknowledge and freely accept that should any or all of the assumptions be mistaken or should any of the conditions not be met for any reason, then the grant of the RSUs shall be null and void.

Further, the vesting of the RSUs is expressly conditioned on your Continuous Service, such that if your service or employment terminates for any reason whatsoever, the RSUs will cease to vest immediately effective on the date of termination of your service or employment. This will be the

case, for example, even if you (1) are considered to be unfairly dismissed without good cause; (2) are dismissed for disciplinary or objective reasons or due to a collective dismissal; (3) terminate service or employment due to a change of work location, duties or any other employment or contractual condition; (4) terminate service or employment due to the Company's or any Affiliate's unilateral breach of contract; or (5) are terminated from service or employment for any other reason whatsoever. Consequently, upon your termination of service or employment for any of the above reasons, you will automatically lose any rights to the RSUs that were unvested on the date of termination.

NOTIFICATIONS

Securities Law Notification. The RSUs described in the Plan and the Agreement, including this Appendix, do not qualify under Spanish regulations as securities. No "offer of securities to the public," as defined under Spanish law, has taken place or will take place in the Spanish territory. The Plan and the Agreement, including this Appendix, have not been nor will they be registered with the Comisión Nacional del Mercado de Valores (Spanish Securities Exchange Commission), and they do not constitute a public offering prospectus.

Exchange Control Notification. The acquisition, ownership and sale of Ordinary Shares under the Plan must be declared for statistical purposes to the Spanish Dirección General de Comercio e Inversiones (the "***DGCI***"), the Bureau for Commerce and Investments, which is a department of the Ministry of Economy and Competitiveness. Generally, the declaration must be made each January for Ordinary Shares owned as of December 31 of the prior year; however, if the amount of Ordinary Shares acquired or sold exceeds a specific threshold or if you hold 10% or more of the share capital of the Company or such other amount that would entitle you to join the Company's board of directors, the declaration must be filed also within one month of the acquisition or sale, as applicable.

Foreign Asset / Account Reporting. Spanish residents are required to declare electronically to the Bank of Spain any securities accounts (including brokerage accounts held abroad), as well as the Ordinary Shares held in such accounts if the value of the transactions during the prior tax year or the balances in such accounts as of December 31 of the prior tax year exceed €1,000,000. More frequent reporting is required if such transaction value or account balance exceeds €100,000,000.

In addition, you may be subject to certain tax reporting requirements with respect to assets or rights that you hold outside of Spain, including bank accounts, securities and real estate if the aggregate value for particular category of assets exceeds €50,000 as of December 31 each year. Ordinary Shares acquired under the Plan or other equity programs offered by the Company constitute securities for purposes of this requirement, but unvested awards (*e.g.*, RSUs, etc.) are not considered assets or rights for purposes of this reporting requirement. If applicable, you must report the assets on Form 720 by no later than March 31 following the end of the relevant year. After the rights and/or assets are initially reported, the reporting obligation will apply only if the value of previously-reported rights or assets increases by more than €20,000 as of each subsequent December 31 or if you sell or otherwise dispose of previously-reported rights or assets. You should consult with your personal advisor to determine your obligations in this respect.

SWITZERLAND

NOTIFICATIONS

Securities Law Notification. The grant of the RSUs and the issuance of any Ordinary Shares is not intended to be a public offering in Switzerland. Neither this document nor any other materials relating to the RSUs constitute a prospectus as such term is understood pursuant to article 652a of the Swiss Code of Obligations, and neither this document nor any other materials relating to the RSUs may be publicly distributed nor otherwise made publicly available in Switzerland. Finally, neither this document nor any other offering or marketing material relating to the RSUs have been or will be filed with, or approved or supervised by, any Swiss regulatory authority (in particular, the Swiss Financial Market Supervisory Authority (FINMA)).

UNITED KINGDOM

TERMS AND CONDITIONS

Tax Withholding Obligations. This provision supplements Section 10 of the Agreement:

Without limitation to Section 10 of the Agreement, you agree that you are liable for all Tax-Related Items and hereby covenant to pay all such Tax-Related Items as and when requested by the Company or the Employer or by Her Majesty's Revenue and Customs ("***HMRC***") (or any other tax authority or any other relevant authority). You also agree to indemnify and keep indemnified the Company and the Employer against any taxes that they are required to pay or withhold or have paid or will pay on your behalf to HMRC (or any other tax authority or any other relevant authority).

Notwithstanding the foregoing, if you are a director or executive officer of the Company (within the meaning of Section 13(k) of the Exchange Act), the terms of the immediately foregoing provision will not apply. In such case, if the amount of any income tax due is not collected from or paid by you within 90 days of the end of the UK tax year in which an event giving rise to the indemnification described above occurs, the amount of any uncollected income tax may constitute a benefit to you on which additional income tax and national insurance contributions ("***NICs***") may be payable. You will be responsible for reporting and paying any income tax due on this additional benefit directly to HMRC under the self-assessment regime and for reimbursing the Employer for the value of any employee NICs due on this additional benefit, which the Company or the Employer may recover from you at any time thereafter by any of the means referred to in Section 10 of the Agreement.

Joint Election for Transfer of Liability for Employer National Insurance Contributions. As a condition of participation in the Plan and the vesting of the RSUs, you agree to accept any liability for secondary Class 1 NICs that may be payable by the Company, the Employer or any Affiliate in connection with the RSUs and any event giving rise to Tax-Related Items (the "***Employer NICs***"). Without prejudice to the foregoing, you agree to execute a joint election with the Company, the form of such joint election (the "Joint Election") having been approved formally by HMRC, and any other required consent or election prior to vesting of the RSUs. You further agree to execute such other joint elections as may be required between you and any successor to the Company, the

Employer or any Affiliate. You further agree that the Company, the Employer or any Affiliate may collect the Employer NICs from you by any of the means set forth in Section 10 of the Agreement.

If you do not enter into a Joint Election prior to the vesting of the RSUs, you will not be entitled to vest in the RSUs without any liability to the Company, the Employer or any Affiliate.

Settlement in Ordinary Shares. Notwithstanding anything in the Plan or the Agreement to the contrary, the Award may only be settled by the delivery of Ordinary Shares.

JAZZ PHARMACEUTICALS PLC

2011 EQUITY INCENTIVE PLAN

ELECTION TO TRANSFER THE EMPLOYER'S SECONDARY CLASS 1 NATIONAL INSURANCE LIABILITY TO THE EMPLOYEE

This Election is between:

A. The individual who has received this Election (the "**Employee**"), who is employed by one of the employing companies listed in the attached schedule (the "**Employer**") and who is eligible to receive stock options and/or restricted stock units (together, the "**Awards**") pursuant to the Jazz Pharmaceuticals plc 2011 Equity Incentive Plan (the "**Plan**"), and

B. Jazz Pharmaceuticals plc, Fourth Floor, Connaught House, 1 Burlington Road, Dublin 4, Ireland (the "**Company**"), which may grant Awards under the Plan and is entering into this Election on behalf of the Employer.

1. Introduction

1.1 This Election relates to all Awards granted to the Employee under the Plan on or after January 18, 2012 up to the termination date of the Plan.

1.2 In this Election the following words and phrases have the following meanings:

(a) "**Chargeable Event**" means, in relation to the Awards:

(i) the acquisition of securities pursuant to the Awards (within section 477(3)(a) of ITEPA);

(ii) the assignment (if applicable) or release of the Awards in return for consideration (within section 477(3)(b) of ITEPA);

(iii) the receipt of a benefit in connection with the Awards, other than a benefit within (i) or (ii) above (within section 477(3)(c) of ITEPA);

(iv) post-acquisition charges relating to the Awards and/or ordinary shares of the Company acquired pursuant to the Awards (within section 427 of ITEPA); and/or

(v) post-acquisition charges relating to the Awards and/or ordinary shares of the Company acquired pursuant to the Awards (within section 439 of ITEPA).

(b) "**ITEPA**" means the Income Tax (Earnings and Pensions) Act 2003.

(c) "**SSCBA**" means the Social Security Contributions and Benefits Act 1992.

1.3 This Election relates to the Employer's secondary Class 1 National Insurance Contributions (the "**Employer's Liability**") which may arise on the occurrence of a Chargeable Event in respect of the Awards pursuant to section 4(4)(a) and/or paragraph 3B(1A) of Schedule 1 of the SSCBA.

1.4 This Election does not apply in relation to any liability, or any part of any liability, arising as a result of regulations being given retrospective effect by virtue of section 4B(2) of either the SSCBA, or the Social Security Contributions and Benefits (Northern Ireland) Act 1992.

1.5 This Election does not apply to the extent that it relates to relevant employment income which is employment income of the earner by virtue of Chapter 3A of Part VII of ITEPA (employment income: securities with artificially depressed market value).

2. The Election

The Employee and the Company jointly elect that the entire liability of the Employer to pay the Employer's Liability on the Chargeable Event is hereby transferred to the Employee. The Employee understands that, by signing the award grant notice, he or she will become personally liable for the Employer's Liability covered by this Election. This Election is made in accordance with paragraph 3B(1) of Schedule 1 of the SSCBA.

3. Payment of the Employer's Liability

3.1 The Employee hereby authorises the Company and/or the Employer to collect the Employer's Liability from the Employee at any time after the Chargeable Event:

(i) by deduction from salary or any other payment payable to the Employee at any time on or after the date of the Chargeable Event; and/or

(ii) directly from the Employee by payment in cash or cleared funds; and/or

(iii) by arranging, on behalf of the Employee, for the sale of some of the securities which the Employee is entitled to receive in respect of the Awards, the proceeds from which must be delivered to the Employer in sufficient time for payment to be made to Her Majesty's Revenue & Customs ("**HMRC**") by the due date; and/or

(iv) where the proceeds of the gain are to be made through a third party, the Employee will authorize that party to withhold an amount from the payment or to sell some of the securities which the Employee is entitled to receive in respect of the Award, such amount to be paid in sufficient time to enable the Company and/or the Employer to make payment to HMRC by the due date; and/or

(v) by any other means specified in the applicable Award agreement entered into between the Employee and the Company.

3.2 The Company hereby reserves for itself and the Employer the right to withhold the transfer of any securities to the Employee in respect of the Awards until full payment of the Employer's Liability is received.

3.3 The Company agrees to procure the remittance by the Employer of the Employer's Liability to HMRC on behalf of the Employee within 14 days after the end of the UK tax month during which the Chargeable Event occurs (or within 17 days after the end of the UK tax month during which the Chargeable Event occurs if payments are made electronically).

4. Duration of Election

4.1 The Employee and the Company agree to be bound by the terms of this Election regardless of whether the Employee is transferred abroad or is not employed by the Employer on the date on which the Employer's Liability becomes due.

4.2 Any reference to the Company and/or the Employer shall include that entity's successors in title and assigns as permitted in accordance with the terms of the Plan and relevant award agreement. This Election will continue in effect in respect of any awards which replace the Awards in circumstances where section 483 of ITEPA applies.

4.3 This Election will continue in effect until the earliest of the following:

(i) the date on which the Employee and the Company agree in writing that it should cease to have effect;

(ii) the date on which the Company serves written notice on the Employee terminating its effect;

(iii) the date on which HMRC withdraws approval of this Election; or

(iv) the date on which, after due payment of the Employer's Liability in respect of the entirety of the Awards to which this Election relates or could relate, the Election ceases to have effect in accordance with its own terms.

SCHEDULE OF EMPLOYER COMPANIES

The following are employer companies to which this Election may apply:

Employer Company:	Jazz Pharmaceuticals UK Limited
Registered Office:	Wing B, Building 5700 Spires House John Smith Drive - Oxford Business Park South, Oxford OX4 2RW, United Kingdom
Company Registration Number:	4555273
Corporation Tax Reference:	452/76424 00934
Corporation Tax Address:	HM Revenue & Customs CT Operations (Large & Complex Specialist) 16 North Government Buildings Ty Glas, Llanishen Cardiff, CF14 5 FP
PAYE Reference:	120/WZ72892

ATTACHMENT II

JAZZ PHARMACEUTICALS PLC
2011 EQUITY INCENTIVE PLAN

EX-10.4 5 jazzq22018ex104.htm AMENDMENT 2 TO CREDIT AGREEMENT

Exhibit 10.4
Execution Copy

AMENDMENT No. 2, dated as of June 7, 2018 (this "Amendment"), to the Credit Agreement, dated as of June 18, 2015, by and among Jazz Pharmaceuticals Public Limited Company, a public limited company organized under the laws of Ireland ("Parent"), Jazz Securities Designated Activity Company (f/k/a Jazz Securities Limited), a Section 110 designated activity company incorporated under the laws of Ireland (the "Lead Borrower"), Jazz Pharmaceuticals, Inc., a Delaware corporation (the "U.S. Borrower"), Jazz Financing I Designated Activity Company (f/k/a Jazz Financing I Limited), a designated activity company incorporated under the laws of Ireland ("Jazz Financing I"), Jazz Pharmaceuticals Ireland Limited, a company incorporated under the laws of Ireland (together with the Lead Borrower and Jazz Financing I, the "Irish Borrowers" and, together with the U.S. Borrower, the "Borrowers" and each, a "Borrower"), the Lenders from time to time party thereto and Bank of America, N.A., as Administrative Agent (the "Administrative Agent"), Collateral Agent, Swing Line Lender and L/C Issuer (as amended by Amendment No. 1, dated as of July 12, 2016, and as further amended, restated, modified and supplemented prior to the date hereof, the "Original Credit Agreement"); capitalized terms used and not otherwise defined herein shall have the meanings assigned to such terms in the Amended Credit Agreement (as defined below).

WHEREAS, the Borrowers desire to amend the Original Credit Agreement to effect the amendments set forth herein pursuant to Section 10.01 of the Original Credit Agreement;

WHEREAS, the Parent and the Borrowers desire to (i) establish a new term loan A facility, which facility shall consist of term A loans under the Amended Credit Agreement in an aggregate principal amount of $667,734,375 (the "New Term Loans"), with such New Term Loans having the terms, rights and obligations set forth in the Amended Credit Agreement and the other Loan Documents, and (ii) use the proceeds of the New Term Loans to replace and refinance all Term Loans outstanding under the Original Credit Agreement immediately prior to the Amendment No. 2 Effective Date (as defined below) (the "Original Term Loans");

WHEREAS, subject to the terms and conditions set forth herein, each Person listed on Schedule I hereto, in its capacity as a Term Lender (as defined in the Amended Credit Agreement), has agreed to provide a commitment to make New Term Loans to the Lead Borrower in the aggregate principal amount set forth opposite such Lender's name on Schedule I hereto under the column "Term Commitments" (the Term Commitments of such Term Lenders, the "Amendment No. 2 Term Commitments");

WHEREAS, the Parent and the Borrowers desire to (i) establish a new revolving credit facility (the "New Revolving Facility"), which facility shall consist of revolving credit commitments under the Amended Credit Agreement in an aggregate principal amount of $1,600,000,000 (the "New Revolving Commitments" and the loans thereunder, the "New Revolving Loans"), with such New Revolving Commitments having the terms, rights and obligations set forth in the Amended Credit Agreement and the other Loan Documents, and (ii) permanently terminate all revolving credit commitments outstanding under, and prepay all revolving loans and all swing line loans (if any) outstanding under, the Original Credit Agreement immediately prior to the Amendment No. 2 Effective Date (such revolving commitments, the "Original Revolving Commitments", such revolving loans, the "Original Revolving Loans" and such swing line loans, the "Original Swing Line Loans"); and

WHEREAS, subject to the terms and conditions set forth herein, each Person listed on Schedule I hereto, in its capacity as a Revolving Lender (as defined in the Amended Credit Agreement), has agreed to provide New Revolving Commitments in the aggregate principal amount set forth opposite such Lender's name on Schedule I hereto under the column "Revolving Commitments" (the New Revolving Commitments of such Revolving Lender, its "Amendment No. 2 Revolving Commitments");

WHEREAS, each Lender that has executed this Amendment consents to the amendments reflected in this Amendment.

NOW, THEREFORE, in consideration of the premises contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound hereby, agree as follows:

Section I. **Amendments/Waivers**.

(a) The Original Credit Agreement is, effective as of the Amendment No. 2 Effective Date, hereby amended to delete the stricken text (indicated textually in the same manner as the following example: ~~stricken text~~) and to add the double-underlined text (indicated textually in the same manner as the following example: double-underlined text) as set forth in the pages of the Original Credit Agreement attached as Exhibit A hereto (the Original Credit Agreement, as so amended, being referred to as the "Amended Credit Agreement").

(b) Each of Schedule 2.01 and Schedules 5.10(a), 7.01, 7.02, 7.04, 7.05 and 7.07 to the Original Credit Agreement is, effective as of the Amendment No. 2 Effective Date, hereby amended and replaced in its entirety by Schedule I and Schedules V, VI, VII, VIII, IX and X hereto, respectively.

(c) Exhibit D to the Original Credit Agreement is, effective as of the Amendment No. 2 Effective Date, hereby amended and replaced in its entirety by Schedule II hereto.

Section 2. **Commitments**.

(a) Effective as of the Amendment No. 2 Effective Date, each Term Lender listed on Schedule I hereto, in its capacity as a Term Lender, hereby agrees to provide New Term Loans in an aggregate principal amount of its Amendment No. 2 Term Commitment.

(b) Effective as of the Amendment No. 2 Effective Date, each Revolving Lender listed on Schedule I hereto, in its capacity as a Revolving Lender, hereby agrees to provide a New Revolving Commitment in an aggregate principal amount of its Amendment No. 2 Revolving Commitment.

(c) Each Lender party hereto (i) confirms that it has received a copy of each of the Loan Documents and the exhibits thereto, together with copies of the financial statements referred to therein and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Amendment and provide Amendment No. 2 Revolving Commitments and/or Amendment No. 2 Term Commitments; (ii) agrees that it will, independently and without reliance upon the Administrative Agent, the Collateral Agent, any other Lender or Agent and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Loan Documents; (iii) appoints and authorizes the Administrative Agent and the Collateral Agent to take such action as agent on its behalf and to exercise such powers under the Loan Documents as are delegated to the Administrative Agent or the Collateral Agent, as the case may be, by the terms thereof, together with such powers as are reasonably incidental thereto; and (iv) agrees that it will perform in accordance with their terms all of the obligations which by the terms of the Loan Documents are required to be performed by it as a Lender.

Section 3. **Rebalancing**. Notwithstanding anything in the Loan Documents to the contrary, the Lead Borrower shall not be required to prepay any Loans on the Amendment No. 2 Effective Date as a result of this Amendment and, on the Amendment No. 2 Effective Date, each of the Lenders agrees to assign certain of its Term Loans and/or Revolving Commitments and Revolving Loans, as applicable, to other Lenders in order to effectuate the allocations set forth on Schedule I hereto (the "Rebalancing"), and the Borrowers hereby consent to any such assignments in connection with the Rebalancing. The Administrative Agent is hereby authorized to take all actions as may be reasonably necessary to effectuate the Rebalancing and the Administrative Agent is hereby authorized to mark the Register accordingly. Notwithstanding anything in the Loan Documents to the contrary, no Loan Party shall have any liability for any additional amounts required pursuant to Section 3.05 in connection with any Rebalancing to the extent such additional amounts are owed to a Lender that delivers an executed signature page hereto.

Section 4. **Representations and Warranties, No Default**. In order to induce the Lenders to enter into this Amendment, to commit to the Amendment No. 2 Revolving Commitments and/or the Amendment No. 2 Term Commitments and to amend the Original Credit Agreement in the manner provided herein, the Loan Parties represent and warrant to each Lender that:

(a) After giving effect to this Amendment, the representations and warranties of the Loan Parties contained in Article V of the Amended Credit Agreement and in any other Loan Document, or which are contained in any Compliance Certificate furnished at any time under or in connection therewith, are (i) in the case of representations and warranties qualified by "materiality," "Material Adverse Effect" or similar language, true and correct in all respects and (ii) in the case of all other representations and warranties, true and correct in all material respects, in each case on and as of the date hereof, except to the extent that such representations and warranties specifically refer to an earlier date, in which case they shall be true and correct on the basis set forth above as of such earlier date; the representations and warranties contained in subsection (b) of Section 5.05 of the Amended Credit Agreement shall be deemed to refer to the most recent statements furnished pursuant to subsections (a) and (b), respectively, of Section 6.01 of the Original Credit Agreement; and

(b) At the time of and immediately after giving effect to this Amendment, no Default or Event of Default has occurred and is continuing.

Section 5. **Effectiveness**. Section 1 of this Amendment shall become effective on the date (such date, if any, the "Amendment No. 2 Effective Date") that the following conditions have been satisfied:

(a) Consents. The Administrative Agent shall have received the executed counterparts of this Amendment executed by the Loan Parties, the Administrative Agent, the Swing Line Lender, each L/C Issuer, each Term Lender and each Revolving Lender.

(b) [Reserved]

(c) Fees and Expenses. Parent shall have paid (or caused to be paid) to the Amendment No. 2 Arrangers and the Administrative Agent all fees and expense reimbursements required to be paid to it on the Amendment No. 2 Effective Date as Parent shall have separately agreed in writing. In addition, Parent shall have paid (or caused to be paid) to the Administrative Agent, for the account of

each Lender that has returned an executed counterpart hereof to the Administrative Agent, a non-refundable upfront fee in such amount as agreed with such Lender (if any).

(d) Legal Opinions. The Administrative Agent shall have received favorable written opinion of (i) Cooley LLP, U.S. counsel to the Loan Parties, (ii) A&L Goodbody, Irish counsel to the Loan Parties, (iii) Arthur Cox, Irish counsel to the Administrative Agent, (iv) Conyers Dill & Pearman Limited, Bermuda counsel to the Loan Parties, (v) Ellul & Co., Gibraltar counsel to the Loan Parties and (vi) Arendt & Medernach, Luxembourg counsel to the Loan Parties, in each case addressed to the Administrative Agent, Collateral Agent, each Lender and each L/C Issuer, dated the Amendment No. 2 Effective Date, in form reasonably satisfactory to the Administrative Agent; provided that to the extent any of the above referenced opinions are to be delivered in conjunction with foreign security documents required to be delivered under clause (g)(4) below and any such foreign security document is delivered post-closing under the terms of the last paragraph of this Section 5 then the applicable opinion may also be delivered post-closing.

(e) Officer's Certificate. The Administrative Agent shall have received a certificate, dated the Amendment No. 2 Effective Date and signed by a Responsible Officer of Parent on behalf of each Loan Party, confirming compliance with the conditions precedent set forth in clauses (i) and (k) of this Section 5.

(f) Organization Documents. After giving effect to the transactions contemplated hereby, the Administrative Agent shall have received: (i) a copy of the Organization Documents, including all amendments thereto, of each Loan Party, certified as of a recent date by the Secretary of State or other applicable Governmental Authority of its respective jurisdiction of organization to the extent applicable; (ii) a certificate as to the good standing (or comparable status) of each Loan Party from such Secretary of State or other applicable Governmental Authority of its respective jurisdiction of organization, as of a recent date; provided that to the extent a certificate of good standing (or comparable status) is not applicable in the jurisdiction of any Loan Party that is a Foreign Subsidiary, such Loan Party shall provide an Officer's Certificate in form and substance reasonably satisfactory to the Administrative Agent; (iii) a certificate of the Secretary, Assistant Secretary, General Counsel or other applicable Responsible Officer of each Loan Party dated the Amendment No. 2 Effective Date and certifying (A) that the Organization Documents of such Loan Party have not been amended since the date of the last amendment thereto shown on the certificate of good standing or comparable status from its jurisdiction of organization furnished pursuant to clause (ii) above (to the extent applicable in the relevant Loan Party's jurisdiction) and remains in full force and effect; (B) that attached thereto is a true and complete copy of the Organization Documents as in effect on the Amendment No. 2 Effective Date and at all times since the date of the resolutions described in clause (C) below or certifying that such Organization Documents have not been amended since such date, (C) that attached thereto is a true and complete copy of resolutions duly adopted by the Board of Directors (or equivalent governing body) of such Loan Party authorizing the execution, delivery and performance of this Amendment, joinders to any Loan Documents, and any other documents required to be executed by such Loan Party pursuant to this Section 5 (the "Amendment Documents") and, in the case of the Borrowers, the borrowings under the Amended Credit Agreement, and that such resolutions have not been modified, rescinded or amended and are in full force and effect and are the only resolutions authorizing the execution, delivery and performance of the Amendment Documents; and (D) as to the incumbency and specimen signature of each Responsible Officer executing any Amendment Document; and (iv) a certificate of another officer as to the incumbency and specimen signature of the Secretary, or Assistant Secretary, General Counsel or other applicable Responsible Officer executing the certificate pursuant to clause (iii) above.

(g) Perfection of Personal Property Security Interests and Pledges; Search Reports. On or prior to the Amendment No. 2 Effective Date, the Collateral Agent shall have received:

(1) certified copies of UCC, United States Patent and Trademark Office and United States Copyright Office, Tax and judgment lien searches or equivalent reports or searches within the United States, each of a recent date listing all effective financing statements, lien notices or comparable documents that name any Loan Party as debtor and that are filed in those state and county jurisdictions in which the U.S. Borrower or any Domestic Guarantor is organized or maintains its principal place of business and such other searches within the United States that are required by the Perfection Certificate or that the Collateral Agent deems necessary or appropriate, none of which encumber the Collateral covered or intended to be covered by the Collateral Documents (other than Permitted Liens);

(2) satisfactory up to date searches on the Loan Parties incorporated in Ireland and evidence that all acts appearing thereon which the Lenders require to be discharged have been fully discharged to the satisfaction of the Collateral Agent together with satisfactory priority searches in the Property Registration Authority of Ireland in respect of Mortgaged Property located in Ireland (if any);

(3) all other filings and recordings of or with respect to the Collateral Documents and of all other actions in each case to the extent required by such Collateral Documents; and

(4) duly executed counterparts from each party thereto of each of the documents set forth on Schedule III hereto.

(h) Solvency Certificate. On or prior to the Amendment No. 2 Effective Date, Parent shall have delivered or caused to be delivered to the Administrative Agent a solvency certificate from a Responsible Officer or chief accounting officer of Parent, substantially in the form of Exhibit K to the Original Credit Agreement, setting forth the conclusions that, after giving effect to the consummation of the transactions contemplated herein, Parent and its Subsidiaries (on a consolidated basis) are Solvent.

(i) Representations and Warranties. On the Amendment No. 2 Effective Date, the representations and warranties set forth in Section 4(a) above shall be true and correct on the basis set forth therein.

(j) PATRIOT Act. (i) The Administrative Agent and the Amendment No. 2 Arrangers shall have received at least one business day prior to the Amendment No. 2 Effective Date, all documentation and other information about the Borrowers and the Guarantors as required by regulatory authorities under applicable “know your customer” and anti-money laundering rules and regulations, including without limitation the Patriot Act, to the extent reasonably requested by any Lender to the Administrative Agent or any Amendment No. 2 Arranger and conveyed by the Administrative Agent or any Amendment No. 2 Arranger, as applicable, to the Lead Borrower in writing at least 10 days prior to the Amendment No. 2 Effective Date and (ii) at least one business day prior to the Amendment No. 2 Effective Date, any Borrower that qualifies as a “legal entity customer” under the Beneficial Ownership Regulation (as defined in the Amended Credit Agreement) shall deliver to each Lender that so requests, a Beneficial Ownership Certification (as defined in the Amended Credit Agreement) in relation to such Borrower.

(k) No Default. No Default or Event of Default shall exist or would result from the proposed Credit Extensions on the Amendment No. 2 Effective Date or from the application of the proceeds thereof.

(l) Repayment of Accrued and Unpaid Interest and Fees. The U.S. Borrower shall have paid any accrued and unpaid interest with respect to the Original Term Loans, the Original Revolving Loans and the Original Swing Line Loans (if any), to but not including the Amendment No. 2 Effective Date. To the extent any Lenders of Original Term Loans and/or Original Revolving Commitments will not be Lenders under the Amended Credit Agreement (the "Exiting Lenders"), concurrently with the making of the New Term Loans and New Revolving Commitments, the U.S. Borrower shall have paid such Exiting Lenders all accrued and unpaid fees pursuant to Section 2.11(a) and (b) of the Original Credit Agreement due to such Exiting Lenders.

Without limiting the generality of the provisions of Section 9.04 of the Original Credit Agreement, for purposes of determining compliance with the conditions specified in this Section 5, each Lender that has signed this Agreement shall be deemed to have consented to, approved or accepted or to be satisfied with, or waived each document or other matter required thereunder to be consented to or approved by or acceptable or satisfactory to a Lender unless the Administrative Agent shall have received notice from such Lender prior to the proposed Amendment No. 2 Effective Date specifying its objection thereto.

Notwithstanding anything in this Amendment to the contrary, to the extent that any documents set forth on Schedule IV hereto are not provided on the Amendment No. 2 Effective Date after Parent's and the Borrowers' use of commercially reasonable efforts to do so, the provision of such documents will not constitute a condition precedent to the Amendment and the availability of the Facilities under the Amended Credit Agreement on the Amendment No. 2 Effective Date, but the Borrowers and Parent agree to provide such documents no later than the number of days specified on Schedule IV after the Amendment No. 2 Effective Date (subject to extension by the Administrative Agent in its reasonable discretion).

Section 6. **Post-Closing Collateral Matters**. The Loan Parties shall execute and deliver the documents and complete the tasks set forth on Schedule IV hereto, in each case within the time limits specified on such schedule subject to the extension by the Administrative Agent in its sole discretion.

Section 7. **Counterparts**. This Amendment may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute but one and the same agreement. Delivery of an executed counterpart of a signature page to this Amendment by telecopier or other electronic transmission shall be effective as delivery of a manually executed counterpart of this Amendment.

Section 8. **Applicable Law**. **THIS AMENDMENT AND THE OTHER AMENDMENT DOCUMENTS AND ANY CLAIMS, CONTROVERSY, DISPUTE OR CAUSE OF ACTION (WHETHER IN CONTRACT OR TORT OR OTHERWISE) BASED UPON, ARISING OUT OF OR RELATING TO THIS AMENDMENT OR ANY OTHER AMENDMENT DOCUMENT AND THE TRANSACTIONS CONTEMPLATED HEREBY AND THEREBY SHALL (EXCEPT, AS TO ANY OTHER AMENDMENT DOCUMENT, AS EXPRESSLY SET**

FORTH THEREIN), BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

Section 9. **Headings**. Section and Subsection headings in this Amendment are included herein for convenience of reference only and shall not constitute a part of this Amendment for any other purpose or be given any substantive effect.

Section 10. **Effect of Amendment**. Except as expressly set forth herein, (i) this Amendment shall not by implication or otherwise limit, impair, constitute a waiver of or otherwise affect the rights and remedies of the Lenders, the Administrative Agent or any other Agent, in each case under the Original Credit Agreement or any other Loan Document, and (ii) shall not alter, modify, amend or in any way affect any of the terms, conditions, obligations, covenants or agreements contained in the Original Credit Agreement or any other provision of either such agreement or any other Loan Document. Each and every term, condition, obligation, covenant and agreement contained in the Amended Credit Agreement or any other Loan Document is hereby ratified and re-affirmed in all respects and shall continue in full force and effect. Each Loan Party reaffirms its obligations under the Loan Documents to which it is party and the validity of the guarantees and Liens granted by it pursuant to the Collateral Documents (including, without limitation, with respect to the New Term Loans and the New Revolving Facility). This Amendment shall constitute a Loan Document for purposes of the Amended Credit Agreement and, from and after the Amendment No. 2 Effective Date, (x) all references to the Original Credit Agreement or Amended Credit Agreement in any Loan Document and all references in the Original Credit Agreement or Amended Credit Agreement to "this Agreement", "hereunder", "hereof" or words of like import referring to the Original Credit Agreement, shall, unless expressly provided otherwise, refer to the Amended Credit Agreement and (y) all references to any other Loan Document amended hereby in any Loan Document and all references in such Loan Document to "this Agreement", "hereunder", "hereof" or words of like import referring to such Loan Document, shall, unless expressly provided otherwise, refer to such Loan Document as amended by this Amendment. Each of the Loan Parties hereby (i) consents to this Amendment, (ii) confirms that all obligations of such Loan Party under the Loan Documents to which such Loan Party is a party shall continue to apply to the Amended Credit Agreement and (iii) agrees that all security interests granted by it pursuant to any Loan Document shall secure the Senior Credit Obligations under the Amended Credit Agreement and the other Loan Documents (including, without limitation, with respect to the New Term Loans and the New Revolving Facility). This Amendment shall not constitute a novation of the Original Credit Agreement or any of the Loan Documents.

Section 11. **Submission to Jurisdiction; Waivers**. Each of the parties hereto hereby irrevocably and unconditionally:

(a) (i) submits for itself and its property, to the exclusive jurisdiction of the Supreme Court of the State of New York sitting in New York County and of the United States District Court of the Southern District of New York sitting in New York County, and any appellate court from any thereof , in any action or proceeding arising out of or relating to this Amendment or any other Loan Document, or for recognition or enforcement of any judgment, and each of the parties hereto irrevocably and unconditionally submits to the jurisdiction of such courts and agrees that all claims in respect of any such action, litigation or proceeding may be heard and determined in such New York State court or, to the fullest extent permitted by applicable Law, in such Federal court; and (ii) agrees that a final judgment in any such action, litigation or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by Law.

(b) waives, to the fullest extent permitted by applicable Laws, (i) any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Amendment or any other Loan Document in any court referred to in Section 11(a), and (ii) the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court;

(c) consents to service of process in any action or proceeding arising out of or relating to any Loan Document, in the manner provided for notices (other than telecopier) in Section 10.02 of the Amended Credit Agreement; and

(d) agrees that nothing herein shall affect the right to effect service of process in any other manner permitted by law or shall limit the right to sue in any other jurisdiction.

Section 12. **Tax Matters**. All of the New Term Loans (whether issued in exchange for a Term Loan outstanding under the Original Credit Agreement or issued for cash) will be treated as fungible for U.S. federal income tax purposes.

[The remainder of this page is intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed by their respective authorized officers as of the day and year first above written.

JAZZ PHARMACEUTICALS, INC., as U.S. Borrower

By: /s/ Matthew P. Young

Name: Matthew P. Young

Title: Executive Vice President and Chief Financial Officer

SIGNED for and on behalf of
JAZZ PHARMACEUTICALS PUBLIC LIMITED COMPANY

Patricia Carr
Authorised Signatory

in the presence of:

(Witness' Signature)

(Witness' Name)

(Witness' Address)

(Witness' Occupation)

[Signature Page to Amendment No. 2]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed by their respective authorized officers as of the day and year first above written.

JAZZ PHARMACEUTICALS, INC., as U.S. Borrower

By: _____

Name: Matthew P. Young
Title: Executive Vice President and Chief Financial Officer

SIGNED for and on behalf of
JAZZ PHARMACEUTICALS PUBLIC LIMITED COMPANY

/s/ Patricia Carr
Patricia Carr
Authorised Signatory

in the presence of:

/s/ Ailish Hamill
(Witness' Signature)
Ailish Hamill
(Witness' Name)
5th Floor, Waterloo Exchange, Waterloo Road, Dublin 4
(Witness' Address)
Company Secretarial Manager
(Witness' Occupation)

[Signature Page to Amendment No. 2]

SIGNED for and on behalf of
JAZZ SECURITIES DESGINATED ACTIVITY COMPANY

in the presence of:

Ailish Hamill	/s/ Bridget O'Brian
(Witness' Name)	Name: Bridget O'Brien
/s/ Ailish Hamill	Title: Director
(Witness' Signature)	
5th Floor, Waterloo Exchange, Waterloo Road, Dublin 4	/s/ Hugh Kiely
(Witness' Address)	Name: Hugh Kiely
Company Secretarial Manager	Title: Director
(Witness' Occupation)	

SIGNED for and on behalf of
JAZZ PHARMACEUTICALS IRELAND LIMITED

in the presence of:

Ailish Hamill	/s/ Aoife Campbell
(Witness' Name)	Name: Aoife Campbell
/s/ Ailish Hamill	Title: Director
(Witness' Signature)	
5th Floor, Waterloo Exchange, Waterloo Road, Dublin 4	/s/ Niall O'Carroll
(Witness' Address)	Name: Niall O'Carroll
Company Secretarial Manager	Title: Director
(Witness' Occupation)	

[Signature Page to Amendment No. 2]

SIGNED for and on behalf of
JAZZ FINANCING I DESIGNATED ACTIVITY COMPANY

in the presence of:

Ailish Hamill	/s/ Patricia Carr
(Witness' Name)	Name: Patricia Carr
/s/ Ailish Hamill	Title: Director
(Witness' Signature)	
5th Floor, Waterloo Exchange, Waterloo Road, Dublin 4	/s/ Paul Treacy
(Witness' Address)	Name: Paul Treacy
Company Secretarial Manager	Title: Director
(Witness' Occupation)	

SIGNED for and on behalf of
JAZZ CAPITAL LIMITED

in the presence of:

Ailish Hamill	/s/ Bridget O'Brian
(Witness' Name)	Name: Bridget O’Brien
/s/ Ailish Hamill	Title: Director
(Witness' Signature)	
5th Floor, Waterloo Exchange, Waterloo Road, Dublin 4	/s/ Hugh Kiely
(Witness' Address)	Name: Hugh Kiely
Company Secretarial Manager	Title: Director
(Witness' Occupation)	

[Signature Page to Amendment No. 2]

SIGNED for and on behalf of
JAZZ FINANCING II LIMITED

in the presence of:

Ailish Hamill	/s/ Bridget O'Brian
(Witness' Name)	Name: Bridget O'Brien
/s/ Ailish Hamill	Title: Director
(Witness' Signature)	
5th Floor, Waterloo Exchange, Waterloo Road, Dublin 4	/s/ Hugh Kiely
(Witness' Address)	Name: Hugh Kiely
Company Secretarial Manager	Title: Director
(Witness' Occupation)	

[Signature Page to Amendment No. 2]

JAZZ INVESTMENTS I LIMITED

By: /s/ Hugh Kiely
Name: Hugh Kiely
Title: Director

JAZZ INVESTMENTS II LIMITED

By: /s/ Hugh Kiely
Name: Hugh Kiely
Title: Director

JAZZ PHARMACEUTICALS INTERNATIONAL LIMITED

By: _____
Name: Kevin Insley
Title: Director

JAZZ PHARMACEUTICALS INTERNATIONAL II LIMITED

By: _____
Name: Kevin Insley
Title: Director

JAZZ PHARMACEUTICALS INTERNATIONAL III LIMITED

By: _____
Name: Kevin Insley
Title: Director

[Signature Page to Amendment No. 2]

JAZZ INVESTMENTS I LIMITED

By: _____
Name: Hugh Kiely
Title: Director

JAZZ INVESTMENTS II LIMITED

By: _____
Name: Hugh Kiely
Title: Director

JAZZ PHARMACEUTICALS INTERNATIONAL LIMITED

By: /s/ Kevin Insley
Name: Kevin Insley
Title: Director

JAZZ PHARMACEUTICALS INTERNATIONAL II LIMITED

By: /s/ Kevin Insley
Name: Kevin Insley
Title: Director

JAZZ PHARMACEUTICALS INTERNATIONAL III LIMITED

By: /s/ Kevin Insley
Name: Kevin Insley
Title: Director

[Signature Page to Amendment No. 2]

JAZZ PHARMACEUTICALS EUROPE HOLDINGS LIMITED

By: /s/ Hugh Kiely
Name: Hugh Kiely
Title: Director

in the presence of:

By: /s/ Bridget O'Brien
Name: Bridget O'Brien
Title: Director
Address: 5th Floor, Waterloo Exchange,
Waterloo Road, Dublin 4, Ireland

JAZZ PHARMACEUTICALS LUX S.Á.R.L.

By: /s/ Grégory Ricci
Name: Grégory Ricci
Title: Manager

5, rue Guillaume Kroll
L – 1882 Luxembourg
Company No: B130062
Tax ID: 2007 2434 499
Share capital: EUR 59,713,225

JAZZ FINANCING LUX S.Á.R.L.

By: /s/ Grégory Ricci
Name: Grégory Ricci
Title: Manager

5, rue Guillaume Kroll
L – 1882 Luxembourg
Company No: B178623
Tax ID: 2013 2428 906
Share capital: USD 25,000

[Signature Page to Amendment No. 2]

JAZZ PHARMACEUTICALS HOLDINGS INC.

By: /s/ Matthew P. Young
Name: Matthew P. Young
Title: President and Treasurer

CELATOR PHARMACEUTICALS, INC.

By: /s/ Matthew P. Young
Name: Matthew P. Young
Title: Treasurer

[Signature Page to Amendment No. 2]

BANK OF AMERICA, N.A.,
as Administrative Agent, Collateral Agent

By: /s/ Elizabeth Uribe

Name: Elizabeth Uribe
Title: Assistant Vice President

[Signature Page to Amendment No. 2]

BANK OF AMERICA, N.A.,
as L/C Issuer and Swing Line Lender

By: /s/ Sebastian Lurie

Name: Sebastian Lurie
Title: SVP

[Signature Page to Amendment No. 2]

The undersigned Lender evidences its consent to the amendments reflected in this Amendment and agrees to provide the Commitments set forth opposite such Lender's name on Schedule I to this Amendment.

BANK OF AMERICA, N.A.,

By: /s/ Sebastian Lurie
Name: Sebastian Lurie
Title: SVP

[Signature Page to Amendment No. 2]

The undersigned Lender evidences its consent to the amendments reflected in this Amendment and agrees to provide the Commitments set forth opposite such Lender's name on Schedule I to this Amendment.

JPMORGAN CHASE BANK, NA,

By: /s/ Marshall Trenkmann
Name: Marshall Trenkmann
Title: Executive Director

[Signature Page to Amendment No. 2]

The undersigned Lender evidences its consent to the amendments reflected in this Amendment and agrees to provide the Commitments set forth opposite such Lender's name on Schedule I to this Amendment.

MUFG Bank, Ltd.
(Name of Institution)

By: /s/ Scott O'Connell
Name: Scott O'Connell
Title: Director

[Signature Page to Amendment No. 2]

The undersigned Lender evidences its consent to the amendments reflected in this Amendment and agrees to provide the Commitments set forth opposite such Lender's name on Schedule I to this Amendment.

ROYAL BANK OF CANADA,

By: /s/ Scott MacVicar
SCOTT MACVICAR
AUTHORIZED SIGNATORY

[Signature Page to Amendment No. 2]

The undersigned Lender evidences its consent to the amendments reflected in this Amendment and agrees to provide the Commitments set forth opposite such Lender's name on Schedule I to this Amendment.

SunTrust Bank,

By: /s/ Katherine Bass
Name: Katherine Bass
Title: Director

[Signature Page to Amendment No. 2]

The undersigned Lender evidences its consent to the amendments reflected in this Amendment and agrees to provide the Commitments set forth opposite such Lender's name on Schedule I to this Amendment.

DNB (UK) Limited
(Name of Institution)

By: /s/ David Hopwood
Name: David Hopwood
Title: Authorised Signatory

If a second signature is necessary:

By: /s/ Kay Newman
Name: Kay Newman
Title: Authorised Signatory

[Signature Page to Amendment No. 2]

The undersigned Lender evidences its consent to the amendments reflected in this Amendment and agrees to provide the Commitments set forth opposite such Lender's name on Schedule I to this Amendment.

Sumitomo Mitsui Banking Corporation

By: /s/ James D. Weinstein
Name: James D. Weinstein
Title: Managing Director

[Signature Page to Amendment No. 2]

The undersigned Lender evidences its consent to the amendments reflected in this Amendment and agrees to provide the Commitments set forth opposite such Lender's name on Schedule I to this Amendment.

Barclays Bank PLC,
(Name of Institution)

By: /s/ Ronnie Glenn
Name: Ronnie Glenn
Title: Director

[Signature Page to Amendment No. 2]

The undersigned Lender evidences its consent to the amendments reflected in this Amendment and agrees to provide the Commitments set forth opposite such Lender's name on Schedule I to this Amendment.

Citibank, N.A.,

By: /s/ Eugene Yermash
Name: Eugene Yermash
Title: Vice President

[Signature Page to Amendment No. 2]

The undersigned Lender evidences its consent to the amendments reflected in this Amendment and agrees to provide the Commitments set forth opposite such Lender's name on Schedule I to this Amendment.

CREDIT SUISSE AG, CAYMAN ISLANDS BRANCH,

By: /s/ Judith Smith
Name: Judith Smith
Title: Authorized Signatory

By: /s/ Lingzi Huang
Name: Lingzi Huang
Title: Authorized Signatory

[Signature Page to Amendment No. 2]

The undersigned Lender evidences its consent to the amendments reflected in this Amendment and agrees to provide the Commitments set forth opposite such Lender's name on Schedule I to this Amendment.

GOLDMAN SACHS BANK USA,

By: /s/ Annie Carr
Name: Annie Carr
Title: Authorized Signatory

[Signature Page to Amendment No. 2]

The undersigned Lender evidences its consent to the amendments reflected in this Amendment and agrees to provide the Commitments set forth opposite such Lender's name on Schedule I to this Amendment.

MORGAN STANLEY BANK, N.A.,
(Name of Institution)

By: /s/ Michael King
Name: Michael King
Title: Authorized Signatory

[Signature Page to Amendment No. 2]

The undersigned Lender evidences its consent to the amendments reflected in this Amendment and agrees to provide the Commitments set forth opposite such Lender's name on Schedule I to this Amendment.

Citizens Bank, N.A.,

By: /s/ Christopher DeLauro
Name: Christopher DeLauro
Title: Senior Vice President

[Signature Page to Amendment No. 2]

The undersigned Lender evidences its consent to the amendments reflected in this Amendment and agrees to provide the Commitments set forth opposite such Lender's name on Schedule I to this Amendment.

ASSOCIATED BANK NATIONAL ASSOCIATION,

By: /s/ Karen L. Anillo
Name: Karen L. Anillo
Title: Senior Vice President

[Signature Page to Amendment No. 2]

The undersigned Lender evidences its consent to the amendments reflected in this Amendment and agrees to provide the Commitments set forth opposite such Lender's name on Schedule I to this Amendment.

Taiwan Cooperative Bank Seattle Branch,
(Name of Institution)

By: /s/ Yueh-Ching Lin
Name: Yueh-Ching Lin
Title: VP & General Manager

[Signature Page to Amendment No. 2]

EXHIBIT A

[Attached]

EXHIBIT A TO AMENDMENT NO. 2

**MARKED VERSION REFLECTING CHANGES
PURSUANT TO AMENDMENT NO. ~~1~~2
ADDED TEXT SHOWN UNDERSCORED
DELETED TEXT SHOWN ~~STRIKETHROUGH~~**

$~~1,971,875,000~~2,267,734,375

CREDIT AGREEMENT

dated as of June 18, 2015,

as amended by Amendment No. 1 dated as of July 12, 2016,

as amended by Amendment No. 2 dated as of June 7, 2018,

among

**JAZZ PHARMACEUTICALS PUBLIC LIMITED COMPANY,
as Parent,
JAZZ SECURITIES ~~LIMITED~~DESIGNATED ACTIVITY COMPANY,
as Lead Borrower,
JAZZ PHARMACEUTICALS, INC.,
as U.S. Borrower,
JAZZ PHARMACEUTICALS IRELAND LIMITED,
as an Irish Borrower,
JAZZ FINANCING I ~~LIMITED~~DESIGNATED ACTIVITY COMPANY,
as an Irish Borrower,**

THE LENDERS FROM TIME TO TIME PARTY HERETO,

**BANK OF AMERICA, N.A.,
as Administrative Agent, Collateral Agent, L/C Issuer and Swing Line Lender,**

**BARCLAYS BANK PLC,
CITIBANK, N.A.,
DNB (UK) LIMITED,
JPMORGAN CHASE BANK, N.A.
and ROYAL BANK OF CANADA,
as Co-Syndication Agents,**

**CREDIT SUISSE AG, CAYMAN ISLANDS BRANCH,
HSBC BANK PLC,
MORGAN STANLEY SENIOR FUNDING, INC.,
MUFG UNION BANK, N.A.,
SUMITOMO MITSUI BANKING CORPORATION, NEW YORK BRANCH
and SUNTRUST BANK,
as Co-Documentation Agents,**

---

and

MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED,
BARCLAYS BANK PLC,
CITIGROUP GLOBAL MARKETS, INC.,
DNB (UK) LIMITED,
J.P. MORGAN SECURITIES LLC
and RBC CAPITAL MARKETS,
as Joint Lead Arrangers and Joint Bookrunners,

CITIBANK, N.A.,
DNB (UK) LIMITED,
JPMORGAN CHASE BANK, N.A.,
ROYAL BANK OF CANADA,
SUMITOMO MITSUI BANKING CORPORATION, NEW YORK BRANCH
and THE BANK OF TOKYO MITSUBISHI UFJ, LTD.,
as Co-Syndication Agents for Amendment No. 1,

BARCLAYS BANK PLC,
CREDIT SUISSE AG, CAYMAN ISLANDS BRANCH,
HSBC BANK PLC,
HSBC BANK USA, N.A.,
MORGAN STANLEY SENIOR FUNDING, INC.
and SUNTRUST BANK,
as Co-Documentation Agents for Amendment No. 1,

and

BANK OF AMERICA, N.A.,
CITIGROUP GLOBAL MARKETS, INC.,
DNB (UK) LIMITED,
J.P. MORGAN SECURITIES LLC,
RBC CAPITAL MARKETS,
SUMITOMO MITSUI BANKING CORPORATION, NEW YORK BRANCH,
and THE BANK OF TOKYO-MITSUBISHI UFJ, LTD.,
as Joint Lead Arrangers and Joint Bookrunners for Amendment No. ~~1~~1,

BANK OF AMERICA, N.A.,
DNB (UK) LIMITED,
JPMORGAN CHASE BANK, N.A.,
RBC CAPITAL MARKETS,
SUMITOMO MITSUI BANKING CORPORATION, NEW YORK BRANCH,
SUNTRUST BANK
and MUFG BANK LTD.,
as Co-Syndication Agents for Amendment No. 2,

BARCLAYS BANK PLC,
CITIBANK, N.A.,
CREDIT SUISSE AG, CAYMAN ISLANDS BRANCH,

GOLDMAN SACHS BANK USA,
MORGAN STANLEY SENIOR FUNDING, INC.
and CITIZENS BANK, N.A

as Co-Documentation Agents for Amendment No. 2,

and

BANK OF AMERICA, N.A.,
DNB (UK) LIMITED,
JPMORGAN CHASE BANK, N.A.,
RBC CAPITAL MARKETS[1],
SUMITOMO MITSUI BANKING CORPORATION, NEW YORK BRANCH,
SUNTRUST BANK
and MUFG BANK, LTD.
as Joint Lead Arrangers and Joint Bookrunners for Amendment No. 2

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[1] RBC Capital Markets is a brand name for the capital markets activities of Royal Bank of Canada and its affiliates.

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CREDIT AGREEMENT

This Credit Agreement, dated June 18, 2015 (as amended by Amendment No. 1, dated July 12, 2016, as amended by Amendment No. 2, dated June 7, 2018, and as further amended, restated, amended and restated, supplemented or otherwise modified from time to time, this "Agreement"), by and among Jazz Pharmaceuticals Public Limited Company, a public limited company organized under the laws of Ireland ("Parent"), Jazz Securities Designated Activity Company (f/k/a Jazz Securities Limited), a Section 110 designated activity company incorporated under the laws of Ireland (the "Lead Borrower"), Jazz Pharmaceuticals, Inc., a Delaware corporation (the "U.S. Borrower"), Jazz Financing I Designated Activity Company (f/k/a Jazz Financing I Limited), a designated activity company incorporated under the laws of Ireland ("Jazz Financing I"), Jazz Pharmaceuticals Ireland Limited, a company incorporated under the laws of Ireland ("Jazz Ireland"), the Lenders (as hereinafter defined) and Bank of America, N.A., as Administrative Agent, Collateral Agent, Swing Line Lender and L/C Issuer.

PRELIMINARY STATEMENTS:

On the Closing Date, the Lenders provided the Lead Borrower a term loan A facility in the aggregate principal amount of $750,000,000 and a revolving credit facility in the aggregate principal amount of $750,000,000.

~~The Lead Borrower has requested that~~On the Amendment No. 1 Effective Date, the Lenders ~~provide~~provided the Borrowers Incremental Revolving Commitments in the aggregate principal amount of $~~500,000,000, and the Lenders have indicated their willingness to provide such Incremental Revolving Commitments, on the terms and subject to the conditions set forth herein.~~500,000,000.

The Lead Borrower has requested that the Lenders provide a term loan A facility in the aggregate principal amount of $667,734,375 and a revolving credit facility in the aggregate principal amount of $1,600,000,000 on the Amendment No. 2 Effective Date, and the Lenders have indicated their willingness to lend and the L/C Issuers have indicated their willingness to issue letters of credit, in each case, on the terms and subject to the conditions set forth herein and in Amendment No. 2.

In consideration of the mutual covenants and agreements herein contained, the parties hereto covenant and agree as follows:

ARTICLE I.

DEFINITIONS AND ACCOUNTING TERMS

Section 1.01 Defined Terms. As used in this Agreement, the following terms have the meanings set forth below:

"Acceptable Discount" has the meaning specified in Section 2.19(d)(ii).

"Acceptable Prepayment Amount" has the meaning specified in Section 2.19(d)(iii).

"Acceptance and Prepayment Notice" means an irrevocable written notice from Parent or any of its Subsidiaries accepting a Solicited Discounted Prepayment Offer to make a Discounted Term Loan Prepayment at the Acceptable Discount specified therein pursuant to Section 2.19(d) substantially the form of Exhibit R hereto.

"Acceptance Date" has the meaning specified in Section 2.19(d)(ii).

"Acquisition Consideration" means the sum of the cash purchase price for any Permitted Acquisition payable at or prior to the closing date of such Permitted Acquisition (and which, for the avoidance of doubt, shall not include any purchase price adjustment, Milestone Payment, royalty, earnout, contingent payment, back-end or any other deferred payment of a similar nature) plus the aggregate principal amount of Indebtedness assumed on such date in connection with such Permitted Acquisition.

"Additional Agents" has the meaning specified in Section 9.03, each an "Additional Agent" and any two or more "Additional Agents".

"Adjusted Eurodollar Rate" means, for the Interest Period for each Eurodollar Loan comprising part of the same Group, the quotient obtained (expressed as a decimal, carried out to five decimal places) by dividing (i) the applicable Eurodollar Rate for such Interest Period by (ii) 1.00 minus the Eurodollar Reserve Percentage.

"Administrative Agent" means Bank of America (through itself or one of its designated Affiliates or branch offices), in its capacity as administrative agent under any of the Loan Documents, or any successor administrative agent.

"Administrative Agent's Office" means the Administrative Agent's address and, as appropriate, account as set forth on Schedule 10.02, or such other address or account as the Administrative Agent may from time to time notify the Lead Borrower and the Lenders.

"Administrative Questionnaire" means an Administrative Questionnaire in a form supplied by the Administrative Agent.

"Affiliate" means, with respect to any Person, another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified.

"Agent" means the Administrative Agent, the Collateral Agent and any successors and assigns in such capacity, and "Agents" means any two or more of them.

"Agent Related Persons" means each Agent, together with its Related Parties.

"Aggregate Commitments" means at any date the Commitments of all the Lenders.

"Agreed Security Principles" means the agreed security principles set forth on Schedule 1.01(A).

"Agreement" has the meaning specified in the preamble.

"Amendment No. 1" means Amendment No. 1 to this Agreement, dated as of July 12, 2016, by and among Parent, the Borrowers, the Guarantors, the Administrative Agent and the Lenders party thereto.

"Amendment No. 1 Arrangers" means Bank of America, N.A., Citigroup Global Markets, Inc., DNB (UK) Limited, J.P. Morgan Securities LLC, RBC Capital Markets, Sumitomo Mitsui Banking

Corporation, New York Branch and The Bank of Tokyo-Mitsubishi UFJ, Ltd., in their respective capacities as joint arranger and joint bookrunner for Amendment No. 1 or any successor thereto.

"Amendment No. 1 Co-Documentation Agent" means each of Barclays Bank PLC, Credit Suisse AG, Cayman Islands Branch, HSBC Bank plc, HSBC Bank USA, N.A., Morgan Stanley Senior Funding, Inc. and SunTrust Bank, in their respective capacities as co-documentation agent for Amendment No. 1.

"Amendment No. 1 Co-Syndication Agent" means each of Citibank, N.A., DNB (UK) Limited, JPMorgan Chase Bank, N.A., Royal Bank of Canada, Sumitomo Mitsui Banking Corporation, New York Branch and The Bank of Tokyo-Mitsubishi UFJ, Ltd., in their respective capacities as co-syndication agent for Amendment No. 1.

"Amendment No. 1 Effective Date" has the meaning specified in Amendment No. 1.

"Amendment No. 2" means Amendment No. 2 to this Agreement, dated as of June 7, 2018, by and among Parent, the Borrowers, the Guarantors, the Administrative Agent, the Lenders party thereto and the L/C Issuers party thereto.

"Amendment No. 2 Arrangers" means Merrill Lynch, Pierce, Fenner & Smith, Incorporated (or any other registered broker-dealer wholly-owned by Bank of America Corporation to which all or substantially all of Bank of America Corporation's or any of its subsidiaries' investment banking, commercial lending services or related businesses may be transferred following the Amendment No. 2 Effective Date), DNB (UK) Limited, JPMorgan Chase Bank, N.A., RBC Capital Markets, Sumitomo Mitsui Banking Corporation, New York Branch, SunTrust Bank and MUFG Bank, Ltd., in their respective capacities as joint arranger and joint bookrunner for Amendment No. 2 or any successor thereto.

"Amendment No. 2 Co-Documentation Agent" means each of Barclays Bank PLC, Citibank, N.A., Credit Suisse AG, Cayman Islands Branch, Goldman Sachs Bank USA, Morgan Stanley Senior Funding, Inc., and Citizens Bank, N.A, in their respective capacities as co-documentation agent for Amendment No. 2.

"Amendment No. 2 Co-Syndication Agent" means each of Bank of America, N.A., DNB (UK) Limited, JPMorgan Chase Bank, N.A., Royal Bank of Canada, Sumitomo Mitsui Banking Corporation, New York Branch, SunTrust Bank and MUFG Bank, Ltd., in their respective capacities as co-syndication agent for Amendment No. 2.

"Amendment No. 2 Effective Date" has the meaning specified in Amendment No. 2.

"Anti-Money Laundering Laws" means any and all laws, statutes, regulations or obligatory government orders, decrees, ordinances or rules applicable to a Loan Party, its Subsidiaries or Affiliates related to terrorism financing or money laundering, including any applicable provision of Title III of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act (USA PATRIOT Act) of 2001 (Title III of Pub. L. 107-56) and The Currency and Foreign Transactions Reporting Act (also known as the "Bank Secrecy Act," 31 U.S.C. §§ 5311-5330 and 12 U.S.C. §§ 1818(s), 1820(b) and 1951-1959).

"Applicable Commitment Fee Percentage" means a percentage per annum set forth below corresponding to the Secured Leverage Ratio as of the most recent Calculation Date:

Pricing Level	Secured Leverage Ratio	Applicable Commitment Fee Percentage
I	≥ 1.50:1.00	0.35%
II	< 1.50:1.00 and ≥ ~~0.50~~0.75:1.00	0.30%
III	< ~~0.50~~0.75:1.00	0.25%

Each Applicable Commitment Fee Percentage shall be determined and adjusted quarterly on the date (each, a "Calculation Date") three Business Days after the earlier of the actual delivery date by which Parent provides, or the required delivery date by which Parent is required to provide, the consolidated financial information required by Section 6.01(a) or (b), as applicable, and the Compliance Certificate required by Section 6.01(c) for the fiscal quarter or year of Parent most recently ended prior to the Calculation Date; provided, however, that the Applicable Commitment Fee Percentage shall be deemed to be (i) (x) in Pricing Level ~~I~~III from the Amendment No. ~~1~~2 Effective Date until the first Calculation Date occurring after September 30, ~~2016~~2018 and (y) in Pricing Level I at any time during the existence of an Event of Default under Sections 8.01(a), (h) or (i) and (ii) if Parent fails to provide the consolidated financial information required by Section 6.01(a) or (b), as applicable, or the Compliance Certificate required by Section 6.01(c) for the most recently ended fiscal quarter or year of Parent preceding any applicable Calculation Date, each Applicable Commitment Fee Percentage from such Calculation Date shall be based on Pricing Level I until such time as such consolidated financial information and an appropriate Officer's Certificate is provided.

"Applicable Margin" means a percentage per annum equal to, for purposes of calculating (A) the applicable interest rate for any day for any Term Loan, Revolving Loan or Swing Line Loan or (B) the applicable rate of the Letter of Credit Fee for any day for purposes of Section 2.11(b)(i), the applicable percentage per annum set forth below corresponding to the Secured Leverage Ratio as of the most recent Calculation Date:

Pricing Level	Secured Leverage Ratio	Letter of Credit Fee and Applicable Margin for Revolving Loans and Term Loans that are Eurodollar Loans	Applicable Margin for Swing Line Loans, Revolving Loans and Term Loans that are Base Rate Loans
I	≥ 2.50:1.00	~~2.25~~1.750%	~~1.25~~0.750%
II	< 2.50:1.00 and ≥ 1.50.1.00	~~2.00~~1.625%	~~1.00~~0.625%
III	< 1.50:1.00 and ≥ ~~0.50~~0.75:1.00	~~1.75~~1.500%	~~0.75~~0.500%
IV	<~~0.50~~0.75:1.00	~~1.50~~1.375%	~~0.50~~0.375%

Each Applicable Margin shall be determined and adjusted quarterly on the date (each a "Calculation Date") three Business Days after the earlier of the actual delivery date by which Parent provides, or the required delivery date by which Parent is required to provide, the consolidated financial information required by Section 6.01(a) or (b), as applicable, and the Compliance Certificate required by Section 6.01(c) for the fiscal quarter or year of Parent most recently ended prior to the Calculation Date; provided, however, that with respect to (A) any Term Loan, Revolving Loan or Swing Line Loan or (B) the Letter of Credit Fee, the Applicable Margin shall be deemed to be (i) (x) in Pricing Level ~~II~~IV from the Amendment No. ~~1~~2 Effective Date until the first Calculation Date occurring after September 30, ~~2016~~2018 and (y) in Pricing Level I at any time during the existence of an Event of Default under Sections 8.01(a), (h)

or (i) and (ii) if Parent fails to provide the consolidated financial information required by Section 6.01(a) or (b), as applicable, or the Compliance Certificate required by Section 6.01(c) for the most recently ended fiscal quarter or year of Parent preceding any applicable Calculation Date, each Applicable Margin from such Calculation Date shall be based on Pricing Level I until such time as such consolidated financial information and an appropriate Officer's Certificate is provided.

In the event that the Administrative Agent and Parent determine in good faith that any financial statement or Compliance Certificate delivered pursuant to Section 6.01 is inaccurate (regardless of whether this Agreement or the Revolving Commitments are in effect when such inaccuracy is discovered), and such inaccuracy, if corrected would have led to a higher Applicable Margin for any period (an "Applicable Period") than the Applicable Margin applied for such Applicable Period, then (i) Parent shall immediately deliver to the Administrative Agent a correct Compliance Certificate for such Applicable Period, (ii) the Applicable Margin shall be determined by reference to the corrected Compliance Certificate (but in no event shall the Lenders owe any amounts to the Borrowers), and (iii) the applicable Borrower shall within three Business Days of demand therefor by the Administrative Agent pay to the Administrative Agent the additional interest owing as a result of such increased Applicable Margin for such Applicable Period, which payment shall be promptly applied by the Administrative Agent in accordance with the terms hereof. This paragraph shall not limit the rights of the Administrative Agent and the Lenders hereunder.

"Applicable Percentage" means, with respect to any Lender at any time, the percentage of the Aggregate Commitments represented by the aggregate of such Lender's Revolving Commitment Percentage and its Term Commitment Percentage at such time, in each case subject to adjustment as provided in Section 2.15 or 2.17; provided that if the Commitments of each Lender to make Loans and the obligation of the L/C Issuer to make L/C Credit Extensions have been terminated pursuant to Section 8.02 or if the Aggregate Commitments have expired, then the Applicable Percentage of each Lender shall be determined based on the Applicable Percentage of such Lender most recently in effect, giving effect to any subsequent assignments. The initial Applicable Percentage of each Lender of each Class and for all Classes is set forth opposite the name of such Lender on Schedule 2.01 under the caption "Commitments" of the applicable Class or under the caption "Aggregate Commitment Percentage," as applicable, or in the Assignment and Assumption pursuant to which such Lender becomes a party hereto, as applicable.

"Applicable Prepayment" has the meaning specified in Section 2.09(f).

"Approved Affiliate" means any Person that is, at the time of determination, exempt from any U.S. federal withholding tax imposed under Section 871, 881, 1441 or 1442 of the Code on U.S. source interest payments, including (A) any United States Person, (B) any Person or foreign branch of such Person, in each case entitled to claim benefits under a tax treaty that eliminates U.S. federal withholding Tax on U.S. source interest payments, (C) a Person entitled to claim exemption from U.S. federal withholding Taxes for income that is effectively connected with a U.S. trade or business, (D) a Person entitled to claim the exemption from U.S. federal withholding tax on U.S. source interest payments pursuant to the portfolio interest exemption under Section 881(c) of the Code, or (E) a Person entitled to claim an exemption from U.S. federal withholding tax on U.S. source interest payments due to its owners satisfying clause (A), (B), (C), or (D) above.

"Approved Fund" means any Fund that is administered or managed by (i) a Lender, (ii) an Affiliate of a Lender or (iii) an entity or an Affiliate of an entity that administers or manages a Lender.

"Arrivo" means Arrivo Bioventures LLC.

"Arrivo Agreement" means that certain Subscription Agreement, dated May 10, 2016, by and among Jazz Financing Lux S.à r.l. and Arrivo, relating to a venture to develop a portfolio of early stage assets similar to JZP-110.

"Asset Disposition" means any Disposition (or series of related Dispositions) of any assets (other than Unrestricted Margin Stock) by Parent or any of its Restricted Subsidiaries in respect of which either the fair market value of such property or the Disposition Consideration payable to the Parent or any of its Restricted Subsidiaries exceeds $~~1,000,000,~~$10,000,000, excluding any Disposition by way of Casualty or Condemnation.

"Assignee Group" means two or more Eligible Assignees that are Affiliates of one another or two or more Approved Funds managed by the same investment advisor or by Affiliated investment advisors.

"Assignment and Assumption" means an assignment and assumption entered into by a Lender and an Eligible Assignee (with the consent of any party whose consent is required by Section 10.06(b) and/or the definition of "Eligible Assignee"), and accepted by the Administrative Agent, substantially in the form of Exhibit C or any other form (including electronic documentation generated by use of an electronic platform) approved by the Administrative Agent and the Lead Borrower.

"Auction Agent" means (a) the Administrative Agent or (b) any other financial institution or advisor employed by Parent or any of its Subsidiaries (whether or not an Affiliate of the Administrative Agent) to act as an arranger in connection with a Discounted Term Loan Prepayment pursuant to Section 2.19; provided that neither Parent nor any of its Subsidiaries shall designate the Administrative Agent as the Auction Agent without the written consent of the Administrative Agent (it being understood that the Administrative Agent shall be under no obligation to agree to act as the Auction Agent).

"Auto-Extension Letter of Credit" has the meaning specified in Section 2.05(c)(iii).

"Available Amount" means, at any date, an amount equal to:

(a) the sum of (without duplication):

(i) $385,000,000;

(ii) the Net Cash Proceeds received after the Closing Date and on or prior to such date from any issuance of Qualified Capital Stock by Parent;

(iii) the Net Cash Proceeds received after the Closing Date and on or prior to such date by Parent or any Restricted Subsidiary from the issuance of convertible or exchangeable debt securities that have been converted into or exchanged for Qualified Capital Stock of Parent; and

(iv) Cumulative Excess Cash Flow as of such date; minus

(b) the amount of any usage of such Available Amount pursuant to Section 7.04(w), Section 7.06(i) and Section 7.08(b), in each case prior to such date.

"Available Amount Conditions" means, prior to and after giving effect to any usage of the Available Amount, (a) no Default or Event of Default shall have occurred and be continuing and (b) Parent shall be in compliance with the covenants set forth in Section 7.10 on a pro forma basis in accordance with

Section 1.03(c) (and, if applicable, Section 1.03(e)) and (c) solely with respect to Restricted Payments made pursuant to Section 7.06(i), the Secured Leverage Ratio, as of the end of the most recently completed Test Period, shall be less than or equal to ~~2.50~~3.00 to 1.0 on a pro forma basis in accordance with Section 1.03(c).

"Bail-In Action" means the exercise of any Write-Down and Conversion Powers by the applicable EEA Resolution Authority in respect of any liability of an EEA Financial Institution.

"Bail-In Legislation" means, with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule.

"Bank of America" means Bank of America, N.A. and its successors.

"Bankruptcy Code" means Title 11 of the United States Code, as now and hereafter in effect, or any successor statute.

"Bankruptcy Law" means the Bankruptcy Code and all other liquidation, receivership, moratorium, conservatorship, assignment for the benefit of creditors, insolvency, examinership or similar federal, state or foreign law for the relief of debtors.

"Bankruptcy Plan" has the meaning specified in Section 10.06(h)(iii).

"Base Rate" means, for any day, a fluctuating rate per annum equal to the highest of (a) the Federal Funds Rate plus 1/2 of 1% (b) the rate of interest in effect for such day as publicly announced from time to time by Bank of America as its "prime rate", and (c) the Eurodollar Rate plus 1.00%; and if the Base Rate shall be less than zero, such rate shall be deemed zero for purposes of this Agreement. The "prime rate" is a rate set by Bank of America based upon various factors including Bank of America's costs and desired return, general economic conditions and other factors, and is used as a reference point for pricing some loans, which may be priced at, above, or below such announced rate. Any change in such rate announced by Bank of America shall take effect at the opening of business on the day specified in the public announcement of such change.

"Base Rate Loan" means a Loan that bears interest based on the Base Rate.

"Beneficial Ownership Certification" means a certification regarding beneficial ownership as required by the Beneficial Ownership Regulation.

"Beneficial Ownership Regulation" means 31 C.F.R. § 1010.230.

"Benefit Plan" means any of (a) an "employee benefit plan" (as defined in ERISA) that is subject to Title I of ERISA, (b) a "plan" as defined in Section 4975 of the Code or (c) any Person whose assets include (for purposes of ERISA Section 3(42) or otherwise for purposes of Title I of ERISA or Section 4975 of the Code) the assets of any such "employee benefit plan" or "plan".

"Bermuda Share Charges" means charges granted by the Parent and Jazz Ireland of their equity interests in the relevant Foreign Subsidiaries in favor of the Collateral Agent for the benefit of the Finance Parties, which charges shall be in form and substance reasonably satisfactory to the Administrative Agent.

"Board of Directors" means, with respect to any Person, (i) in the case of any corporation, the board of directors of such Person (or any committee or subcommittee thereof), (ii) in the case of any limited liability company, the board of managers (or any committee or subcommittee thereof) or managing member of such Person, (iii) in the case of any partnership, the board of directors of the general partner of such Person and (iv) in any other case, the functional equivalent of the foregoing.

"Borrower Materials" has the meaning specified in Section 10.02(d).

"Borrowers" means the Lead Borrower, the U.S. Borrower and the Irish Borrowers collectively (unless the context otherwise requires that such term shall apply only to the Lead Borrower).

"Borrowing" has the meaning specified in Section 1.07.

"Business Day" means any day other than a Saturday, Sunday or other day on which commercial banks are authorized to close under the Laws of, or are in fact closed in, (x) the state where the Administrative Agent's Office is located and (y) if such day relates to the payment of any obligation or the performance of any covenant, duty or obligation of any Irish Borrower, Ireland, except that (i) when used in Section 2.05 with respect to any action taken by or with respect to any L/C Issuer, the term "Business Day" shall not include any day on which commercial banks are authorized to close under the Laws of, or are in fact closed in, the jurisdiction where such L/C Issuer's Lending Office is located and (ii) when used in connection with a Eurodollar Loan, the term "Business Day" means any such day that is also a day on which dealings in Dollar deposits are conducted by and between banks in the London interbank market.

"Capital Lease" of any Person means any lease of (or other arrangement conveying the right to use) property (whether real, personal or mixed) by such Person as lessee which would, in accordance with GAAP, be required to be accounted for as a capital lease on the balance sheet of such Person; provided that any lease or other arrangement that, under GAAP as in effect on the Closing Date, would not be required to be accounted for as a capital lease shall not constitute a "Capital Lease" hereunder.

"Capital Lease Obligations" means, with respect to any Person, all obligations of such Person as lessee under Capital Leases, which, as of any time of determination, shall be equal to the amount of liability under such Capital Leases required at such time to be capitalized and reflected as a liability on a balance sheet of such Person (excluding the footnotes thereto) prepared in accordance with GAAP.

"Cash Collateralize" means to pledge and deposit with or deliver to the Collateral Agent, for the benefit of the Administrative Agent, any L/C Issuer or any Swing Line Lender (as applicable) and the Lenders, as collateral for L/C Obligations, Senior Credit Obligations in respect of Swing Line Loans, or obligations of Lenders to fund participations in respect of either thereof (as the context may require), cash, deposit account balances or, if the applicable L/C Issuer or Swing Line Lender, as applicable, benefiting from such collateral shall agree in its sole discretion, other credit support (including a backup letter of credit), in each case pursuant to documentation (including as to stated amount in the case of a backup letter of credit which shall not be more than 103%) in form and substance reasonably satisfactory to (a) the Administrative Agent, (b) the Collateral Agent and (c) the applicable L/C Issuer or Swing Line Lender (as applicable) (which documents are hereby consented to by the Lenders). "Cash Collateral" and "Cash Collateralization" shall have meanings correlative to the foregoing and shall include the proceeds of such cash collateral and other credit support.

"Cash Management Agreement" means any agreement to provide cash management services, including treasury, depository, overdraft, credit or debit card, purchasing cards, electronic funds transfer and other cash management arrangements.

"Cash Management Bank" means any Person (i) that ~~is~~was a Lender, an Agent or an Affiliate of a Lender or an Agent ~~(i)~~ at the time it entered into a Cash Management Agreement with a Loan Party to the extent such Cash Management Agreement is in effect on the Amendment No. 2 Effective Date or (ii) that is designated in writing by the Lead Borrower to Administrative Agent as a "Cash Management Bank" (so long as, upon such designation, a Cash Management Agreement exists between such Person and a Loan Party), in each case, even if such Person for any reason ceases for any reason after the execution of such agreement or such designation to be a Lender, an Agent or an Affiliate of a Lender or an Agent.

"Cash Management Obligations" means all obligations under any Secured Cash Management Agreements.

"Casualty" means any casualty, damage, destruction or other similar loss with respect to real or personal property or improvements.

"Casualty Event" means any involuntary loss of title, any involuntary loss of, damage to or any destruction of, or any condemnation or other taking (including by any Governmental Authority) of, any property of Parent or any of its Subsidiaries. "Casualty Event" shall include but not be limited to any taking of all or any part of any real property of any person or any part thereof, in or by condemnation or other eminent domain proceedings pursuant to any requirement of Law, or by reason of the temporary requisition of the use or occupancy of all or any part of any real property of any person or any part thereof by any Governmental Authority, civil or military, or any settlement in lieu thereof.

"CBI Banking Authorisation" means an authorisation issued by the Central Bank of Ireland under section 9A of the Central Bank Act 1971 of Ireland.

"CEA Swap Obligation" means, with respect to any Guarantor, any obligation to pay or perform under any agreement, contract or transaction that constitutes a "swap" within the meaning of section 1a(47) of the Commodity Exchange Act.

"Celator" means Celator Pharmaceuticals, Inc., a Delaware corporation.

"Celator Acquisition" means the acquisition of Celator pursuant to that certain Agreement and Plan of Merger dated May 27, 2016 among Parent, Plex Merger Sub, Inc., a Delaware corporation, and Celator, including the subsequent acquisition of any Equity Interests remaining after the tender offer contemplated thereby.

"CFC" means a Person that is a controlled foreign corporation under Section 957 of the Code.

"Change in Law" means the occurrence, after the ~~Closing~~Amendment No. 2 Effective Date, of any of the following: (a) the adoption or taking effect of any applicable law, rule, regulation or treaty, (b) any change in any applicable law, rule, regulation or treaty or in the administration, interpretation, implementation or application thereof by any Governmental Authority or (c) the making or issuance of any request, rule, guideline or directive (whether or not having the force of law) by any Governmental Authority; provided that, notwithstanding anything herein to the contrary, (i) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith and (ii) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a "Change in Law", regardless of the date enacted, adopted or issued.

"Change of Control" means (a) the acquisition of beneficial ownership (within the meaning of the Exchange Act and the rules of the SEC thereunder as in effect on the Closing Date) by any Person or group (within the meaning of the Exchange Act and the rules of the SEC thereunder) of Equity Interests representing more than 35% of the aggregate ordinary voting power represented by the issued and outstanding Equity Interests of Parent; (b) Parent ceases to own, directly or indirectly, 100% of the Equity Interests of any Borrower; or (c) the occurrence of a change of control, or other similar provision, as defined in any agreement or instrument evidencing any Material Indebtedness (triggering a default or mandatory prepayment, which default or mandatory prepayment has not been waived in writing) other than Indebtedness permitted under Section 7.01(p).

"Class" has the meaning specified in Section 1.07.

"Closing Date" means June 18, 2015.

"Closing Date Refinancing" means (i) the repayment or other satisfaction in full and the termination of any commitment to make extensions of credit under the Existing Credit Agreement and (ii) receipt by the Administrative Agent of reasonably satisfactory evidence of the discharge (or the making of arrangements for discharge) of all Liens with respect thereto.

"Code" means the Internal Revenue Code of 1986, as amended from time to time.

"Co-Documentation Agent" means each of Credit Suisse AG, Cayman Islands Branch, HSBC Bank plc, Morgan Stanley Senior Funding, Inc., MUFG Union Bank, N.A., Sumitomo Mitsui Banking Corporation, New York Branch and SunTrust Bank, in their respective capacities as co-documentation agent.

"Collateral" means all of the property, which includes Mortgaged Property and all other property of whatever kind and nature, which is subject or is purported to be subject to the Liens granted by any of the Collateral Documents.

"Collateral Agent" means Bank of America, in its capacity as collateral agent for the Finance Parties under the Collateral Documents, and its successor or successors in such capacity.

"Collateral Documents" means, collectively, the U.S. Security Agreement, the Mortgages, the Foreign Collateral Documents, any additional pledges, security agreements, patent, trademark or copyright filings or mortgages or deeds of trust required to be delivered pursuant to the Loan Documents and any instruments of assignment or other similar instruments or agreements executed pursuant to the foregoing.

"Commitment" means (i) with respect to each Lender, its Revolving Commitment, Term Commitment, Incremental Revolving Commitment, Incremental Term Loan Commitment, Other Revolving Commitment or Other Term Commitment, as and to the extent applicable, (ii) with respect to each L/C Issuer, its L/C Commitment and (iii) with respect to the Swing Line Lender, the Swing Line Commitment, in each case as set forth on Schedule 2.01 or in the applicable Assignment and Assumption pursuant to which such Lender becomes a party hereto, as applicable, as its Commitment of the applicable Class, as any such amount may be adjusted from time to time in accordance with this Agreement.

"Commitment Fee" has the meaning specified in Section 2.11(a).

"Commodity Exchange Act" means the Commodity Exchange Act (7 U.S.C. §1 et. seq.), as amended from time to time, and any successor statute.

"Communications" has the meaning specified in Section 10.02(d).

"Competitor" means any Person designated in writing by the Lead Borrower to the Administrative Agent that competes with Parent and its Subsidiaries in a principal line of business of Parent and its Subsidiaries, considered as a whole.

"Compliance Certificate" means a certificate, duly executed by a Responsible Officer, appropriately completed and substantially in the form of Exhibit D.

"Condemnation" means any taking or expropriation by a Governmental Authority of property or assets, or any part thereof or interest therein, for public or quasi-public use under the power of eminent domain, by reason of any public improvement or condemnation or in any other manner.

"Condemnation Award" means all proceeds of any Condemnation or transfer in lieu thereof.

"Consolidated Capital Expenditures" means, without duplication, any expenditures for any purchase or other acquisition of any asset that would be classified as a fixed or capital asset on a consolidated balance sheet of Parent and its Restricted Subsidiaries prepared in accordance with GAAP but excluding (i) expenditures made in connection with any replacement, substitution or restoration of property as a result of any involuntary loss of title, any involuntary loss of, damage to or destruction of, or any condemnation or other taking (including by any Governmental Authority) of, any property of Parent or any of its Restricted Subsidiaries, (ii) expenditures constituting consideration for any Permitted Acquisitions, (iii) expenditures constituting interest capitalized during such period, (iv) expenditures that are accounted for as capital expenditures of such Person and that actually are paid for by a third party and for which no Loan Party has provided or is required to provide or incur, directly or indirectly, any consideration or obligation to such third party or any other Person ~~and~~, (v) the purchase price of equipment that is purchased substantially contemporaneously with the trade in of existing equipment to the extent that the gross amount of such purchase price is reduced by the credit granted by the seller of such equipment for the equipment being traded in at such time and (vi) Investments made pursuant to Sections 7.04(q), (u) and (w).

"Consolidated Cash Interest Expense" means, with reference to any period, (a) the Consolidated Interest Expense of Parent and its Restricted Subsidiaries paid or payable in cash and calculated on a consolidated basis for such period but shall exclude, to the extent otherwise included in the calculation of Consolidated Interest Expense for the applicable period, without duplication, (i) debt issuance costs, debt discount or premium and other financing fees and expenses, (ii) any cash costs associated with breakage in respect of Swap Agreements, (iii) annual agency or trustee fees, unused line fees and letter of credit fees and expenses, (iv) all non-recurring cash interest expense consisting of liquidated damages for failure to timely comply with registration rights obligations under any agreement governing Indebtedness, and (v) interest, rental and other expenses associated with the Stanford Lease, minus (b) interest income received or receivable in cash (to the extent not netted against interest expense in the calculation of Consolidated Interest Expense).

"Consolidated Current Assets" means at any date, the consolidated current assets of the Parent and its Restricted Subsidiaries as of such date, determined on a consolidated basis in accordance with GAAP, but excluding cash, deferred income Taxes and Permitted Investments.

"Consolidated Current Liabilities" means at any date, the consolidated current liabilities of Parent and its Restricted Subsidiaries as of such date, determined on a consolidated basis in accordance with GAAP, but excluding the current portion of Consolidated Funded Indebtedness, outstanding

Revolving Loans and Swing Line Loans, the current portion of interest expense (other than interest expense that is due and unpaid), accrued Taxes and accrued dividends.

"Consolidated EBITDA" means, with reference to any period, Consolidated Net Income for such period plus, to the extent deducted in determining Consolidated Net Income for such period, (i) Consolidated Interest Expense, (ii) expense for Taxes paid or accrued, (iii) depreciation, (iv) amortization, (v) extraordinary, unusual or non-recurring ~~non-cash~~charges, expenses or losses ~~incurred other than in the ordinary course of business~~, (vi) non-cash expenses related to stock based compensation, (vii) fees and expenses directly incurred or paid in connection with (v) the Gentium Acquisition, (w) the Transactions, (x) the Celator Acquisition, (y) any other Permitted Acquisition and, to the extent permitted hereunder, Investments (other than Permitted Acquisitions) and Dispositions, to the extent the aggregate amount of all such fees and expenses added pursuant to clause (y) does not exceed ~~$30,000,000~~the greater of 50,000,000 and 5.5% of Consolidated EBITDA during any fiscal year (prior to giving effect to the addback of such items pursuant to this clause (vii)(y))) and (z) to the extent permitted hereunder, issuances or incurrence of Indebtedness, issuances of Equity Interests or refinancing transactions and modifications of instruments of Indebtedness, (viii) ~~any non-recurring charges, costs, fees and expenses directly incurred or paid directly as a result of discontinued operations (other than such charges, costs, fees and expenses to the extent constituting losses arising from such discontinued operations)~~[reserved], (ix) any unrealized losses in respect of Swap Agreements, (x) ~~any other extraordinary, unusual or non-recurring cash charges or expenses incurred outside of the ordinary course of business,~~ [reserved], (xi) Milestone Payments and Upfront Payments, (xii) the amount of cost savings and synergies projected by Parent in good faith to be realized as a result of the Gentium Acquisition or any Permitted Acquisition ~~or~~, other Investment, divestiture or operational initiative, in each case within the ~~four~~eight consecutive fiscal quarters following the consummation of such acquisition ~~or~~, Investment, divestiture or initiative (or following the consummation of the squeeze-out merger in the case of an acquisition structured as a two-step transaction), calculated as though such cost savings and synergies had been realized on the first day of such period and net of the amount of actual benefits received during such period from such acquisition; provided that (A) a duly completed certificate signed by a Responsible Officer of Parent, which describes in reasonable detail the cost savings and synergies projected by Parent to be realized within such eight consecutive fiscal quarters, shall be delivered to the Administrative Agent certifying that such cost savings and synergies are reasonably expected and factually supportable in the good faith judgment of Parent, (B) no cost savings or synergies shall be added pursuant to this clause (xii) to the extent duplicative of any expenses or charges otherwise added to Consolidated EBITDA, whether through a pro forma adjustment or otherwise, for such period and (C) the aggregate amount of cost savings and synergies added back pursuant to this clause (xii) shall not exceed 15% of Consolidated EBITDA for any applicable Test Period (prior to giving effect to the addback of such items pursuant to this clause (xii)), (xiii) restructuring charges or reserves, including write-downs and write-offs, including any one-time costs incurred in connection with the Gentium Acquisition, Permitted Acquisitions and other Investments and costs related to the closure, consolidation and integration of facilities, information technology infrastructure and legal entities, and severance and retention bonuses, (xiv) adjustments relating to purchase price allocation accounting, and (xv) the aggregate amount of all other non-cash charges, expenses or losses reducing Consolidated Net Income during such period, minus, to the extent included in Consolidated Net Income for such period, (l) interest income (to the extent not netted against interest expense in the calculation of Consolidated Interest Expense), (2) income tax credits and refunds (to the extent not netted from Tax expense), (3) any cash payments made during such period in respect of items described in clauses (v) or (xv) above subsequent to the applicable Test Period in which the relevant non-cash expenses or losses were incurred, (4) any non-recurring income or gains directly as a result of discontinued operations, (5) any unrealized income or gains in respect of Swap Agreements (to the extent not included in clause (1) above or netted against interest expense in the calculation of Consolidated Interest Expense) and (6) extraordinary, unusual or non-recurring income or gains ~~realized other than in the ordinary course of business~~, all as determined for Parent and its Restricted

Subsidiaries in accordance with GAAP on a consolidated basis. For the avoidance of doubt, the foregoing additions to, and subtractions from, Consolidated EBITDA shall not give effect to any items attributable to the Unrestricted Subsidiaries. For the purposes of calculating Consolidated EBITDA for any Test Period, (i) if at any time during such Test Period, Parent or any Restricted Subsidiary shall have made any Material Disposition or converted any Restricted Subsidiary into an Unrestricted Subsidiary, the Consolidated EBITDA for such Test Period shall be reduced by an amount equal to the Consolidated EBITDA (if positive) attributable to the property that is the subject of such Material Disposition or to such conversion for such Test Period or increased by an amount equal to the Consolidated EBITDA (if negative) attributable thereto for such Test Period, and (ii) if during such Test Period Parent or any Restricted Subsidiary shall have made a Material Acquisition or converted any Unrestricted Subsidiary into a Restricted Subsidiary, Consolidated EBITDA for such Test Period shall be calculated after giving pro forma effect thereto in accordance with Section 1.03(c) (and, if applicable, Section 1.03(e)) as if such Material Acquisition or such conversion occurred on the first day of such Test Period.

"Consolidated Funded Indebtedness" means at any date, the Funded Indebtedness of the Parent and its Restricted Subsidiaries as of such date, determined on a consolidated basis in accordance with GAAP.

"Consolidated Interest Expense" means, with reference to any period, the interest expense (including without limitation interest expense under Capital Lease Obligations that is treated as interest in accordance with GAAP) of Parent and its Restricted Subsidiaries calculated on a consolidated basis for such period with respect to all outstanding Indebtedness of Parent and its Restricted Subsidiaries allocable to such period in accordance with GAAP (including, without limitation, all commissions, discounts and other fees and charges owed with respect to letters of credit and bankers acceptance financing and net costs and benefits under interest rate Swap Agreements to the extent such net costs and benefits are allocable to such period in accordance with GAAP). In the event that Parent or any Restricted Subsidiary shall have completed a Material Acquisition or a Material Disposition since the beginning of the relevant period, Consolidated Interest Expense shall be determined for such period on a pro forma basis as if such acquisition or disposition, and any related incurrence or repayment of Indebtedness, had occurred at the beginning of such period.

"Consolidated Net Income" means, with reference to any period, the net income (or loss) of Parent and its Restricted Subsidiaries calculated in accordance with GAAP on a consolidated basis (without duplication) for such period, provided that there shall be excluded the income of any Restricted Subsidiary (other than a Loan Party) to the extent that the declaration or payment of dividends or other distributions by such Restricted Subsidiary of that income is not at the time permitted by any of its Organization Documents, a requirement of Law or any agreement or instrument applicable to such Restricted Subsidiary, except that the amount of cash dividends or other cash distributions actually paid to any Loan Party by any such Restricted Subsidiary during such period shall be included; provided, further, that there shall be excluded any income (or loss) of any Person other than Parent or a Restricted Subsidiary, but any such income so excluded may be included in such period or any later period to the extent of any cash dividends or distributions actually paid in the relevant period to Parent or any Restricted Subsidiary that is a Wholly Owned Subsidiary of Parent.

"Consolidated Secured Debt" means, as of any date of determination, Consolidated Senior Debt outstanding on such date that is secured by a Lien on any assets of Parent or any of its Restricted Subsidiaries.

"Consolidated Senior Debt" means, as of any date of determination, the aggregate principal amount of Consolidated Total Indebtedness outstanding on such date, but excluding any Specified Subordinated Indebtedness.

"Consolidated Subsidiary" means with respect to any Person at any date any Subsidiary of such Person or other entity the accounts of which would be consolidated with those of such Person in its consolidated financial statements if such statements were prepared as of such date in accordance with GAAP.

"Consolidated Total Assets" means, as of the date of any determination thereof, total assets of Parent and its Restricted Subsidiaries calculated in accordance with GAAP on a consolidated basis as of the end of the most recently completed Test Period.

"Consolidated Total Indebtedness" means, as of the date of any determination thereof, the sum, without duplication, of (x) the aggregate Indebtedness of Parent and its Restricted Subsidiaries that is of a type that would be reflected on a consolidated balance sheet of Parent prepared as of such time in accordance with GAAP and (y) Indebtedness of the type referred to in clause (x) hereof of another Person guaranteed by Parent or any of its Restricted Subsidiaries or secured by the assets of Parent or any of its Restricted Subsidiaries; provided that Consolidated Total Indebtedness shall not include Indebtedness in respect of any letter of credit or bank guaranty, except to the extent of unreimbursed obligations in respect of any drawn letter of credit or bank guaranty.

"Consolidated Working Capital" means, as at any date, the excess of Consolidated Current Assets over Consolidated Current Liabilities.

"Contractual Obligation" means, as to any Person, any provision of any security issued by such Person or of any agreement, instrument or other undertaking to which such Person is a party or by which it or any of its property is bound.

"Control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. "Controlling" and "Controlled" have meanings correlative thereto.

"Co-Syndication Agent" means each of Barclays Bank PLC, Citibank, N.A., DNB (UK) Limited, JPMorgan Chase Bank, N.A., and Royal Bank of Canada, in their respective capacities as co-syndication agent.

"Covered Jurisdictions" means the jurisdiction of any Borrower or any jurisdiction of any Guarantor that is a Material Restricted Subsidiary; it being understood that notwithstanding the thresholds set forth in the definition of "Material Restricted Subsidiary", for purposes of determining the "Covered Jurisdictions", "Material Restricted Subsidiary" shall exclude Restricted Subsidiaries organized in a jurisdiction with respect to which no Collateral Documents had previously been delivered which, as of the end of, and for, the most recently completed Test Period, (i) contributed less than 10.0 % of Consolidated EBITDA in the aggregate for such jurisdiction for such Test Period or (ii) contributed less than 10.0% of Consolidated Total Assets in the aggregate for such jurisdiction as of the end of such Test Period, so long as the aggregate amount of Consolidated EBITDA and Consolidated Total Assets attributable to the Borrowers and Guarantors that are Material Restricted Subsidiaries was equal to or exceeds 75.0% of Consolidated EBITDA for any such Test Period and 75.0 % of Consolidated Total Assets as of the end of any such Test Period.

"Credit Agreement Refinancing Indebtedness" means (a) Indebtedness or (b) Other Revolving Commitments, in each case, issued, incurred or otherwise obtained (including by means of the extension or renewal of existing Indebtedness) to Refinance, in whole or part, existing Term Loans, existing Incremental Term Loans, outstanding Revolving Loans (and Revolving Commitments), outstanding Incremental Revolving Loans (and Incremental Revolving Commitments) or any outstanding Credit Agreement Refinancing Indebtedness ("Refinanced Debt"); provided that (i) such Indebtedness (including, if such Indebtedness includes any Other Revolving Commitments, the unused portion of such Other Revolving Commitments) is in an original aggregate principal amount (or accreted value, if applicable) not greater than the aggregate principal amount (or accreted value, if applicable) of the Refinanced Debt (and, in the case of Refinanced Debt consisting, in whole or in part, of unused Revolving Commitments, Incremental Revolving Commitments or Other Revolving Commitments, the amount thereof) (except by an amount equal to accrued and unpaid interest and premium thereon, including tender premium, and underwriting and original issue discounts, fees, commissions, and expenses associated in connection with such extending, renewing, replacement or refinancing), (ii) such Indebtedness has a maturity equal to or later than, and a Weighted Average Life to Maturity equal to or greater than, the Refinanced Debt, (iii) the Refinanced Debt shall be repaid, defeased or satisfied and discharged (and to the extent that the Refinanced Debt consists, in whole or in part, of Revolving Commitments, Incremental Revolving Commitments, Other Revolving Commitments (or Revolving Loans, Incremental Revolving Loans, Other Revolving Loans, or Swing Line Loans incurred pursuant to any Revolving Commitments, Incremental Revolving Commitments or Other Revolving Commitments), such Revolving Commitments, Incremental Revolving Commitments or Other Revolving Commitments, as applicable, shall be terminated), and all accrued interest, fees and premiums (if any) in connection therewith shall be paid, substantially concurrently with the issuance, incurrence or obtaining of such Credit Agreement Refinancing Indebtedness, (iv) in the case of Credit Agreement Refinancing Indebtedness in the form of notes, such Credit Agreement Refinancing Indebtedness does not contain any mandatory prepayment provisions (other than related to customary asset sale and change of control offers or cash or net share conversion settlement provisions in the case of convertible or exchangeable debt securities) that could result in prepayments of such notes prior to the Refinanced Debt, (v) such Indebtedness shall not be guaranteed by any Persons other than the Loan Parties, (vi) such Indebtedness (if secured and not obtained pursuant to a Refinancing Amendment) shall be subject to a First Lien Intercreditor Agreement or Second Lien Intercreditor Agreement, as applicable, and (vii) the other terms and conditions of such Credit Agreement Refinancing Indebtedness (excluding pricing, fees, rate floors and optional prepayment or redemption terms) are substantially identical to, or less favorable to the investors providing such Credit Agreement Refinancing Indebtedness than, those applicable to the Refinanced Debt (except for covenants or other provisions applicable only to periods after the Latest Maturity Date).

"Credit Exposure" means, as applied to each Lender and with respect to each Class of its Commitments and/or Loans:

(i) at any time prior to the termination of the Commitments of the Lenders in respect of such Class, the sum, as applicable, of (A) the Revolving Commitment Percentage of such Lender multiplied by the Revolving Committed Amount plus (B) the Incremental Revolving Commitment Percentage of the relevant Class of such Lender multiplied by the total Incremental Revolving Commitments of such Class plus (C) the Other Revolving Commitment Percentage of the relevant Class of such Lender multiplied by the total Other Revolving Commitments of such Class plus (D) the Term Commitment Percentage of such Lender multiplied by the Term Committed Amount of such Class plus (E) the Other Term Commitment Percentage of the relevant Class of such Lender multiplied by the total Other Term Commitments of such Class plus (F) the Incremental Term Loan Commitment Percentage of the relevant Class of such Lender multiplied by the total Incremental Term Loan Commitments of such Class; and

(ii) at any time after the termination of the Commitments of the Lenders in respect of such Class, the sum, as applicable, of (A) the principal balance of the outstanding Loans of such Lender of such Class plus (B) in the case of the termination of the Revolving Commitments, any Class of Incremental Revolving Commitments or any Class of Other Revolving Commitments, in each case, such Lender's Participation Interests in all L/C Obligations and Swing Line Loans issued under the relevant terminated Class.

"Credit Extension" means a Borrowing or an L/C Credit Extension.

"Cumulative Excess Cash Flow" means an amount (not to be less than zero) equal to the sum of Excess Cash Flow for the fiscal quarter ending June 30, 2015 and each fiscal quarter thereafter.

"Debt Issuance" means the incurrence, issuance or assumption by Parent or any of its Restricted Subsidiaries of any Indebtedness.

"Default" means any condition or event that constitutes an Event of Default or that, with the giving of notice, the passage of applicable grace periods, or both, would be an Event of Default.

"Default Rate" means (i) overdue principal amounts (to the extent legally permitted) shall bear interest at a rate per annum that is equal to (x) in the case of the Loans, the rate that would otherwise be applicable thereto plus 2% or (y) in the case of Reimbursement Obligations, the rate applicable to Revolving Loan that is a Base Rate Loan plus 2%, and (ii) any overdue interest payable on any Loan or Reimbursement Obligation or any Commitment Fee or other amount payable hereunder shall bear interest at a rate per annum equal to the rate then applicable to Base Rate Loans under the relevant Class of Loans plus 2% (or, in the case of any such other amounts that do not relate to a particular Class of Loans, the rate then applicable to Revolving Loan that is a Base Rate Loan plus 2%), in each case, with respect to clauses (i) and (ii) above, from the date such amount was due until such overdue amount is paid in full (after as well as before judgment).

"Defaulting Lender" means, subject to Section 2.17(b), any Lender that (a) has failed to (i) fund all or any portion of its Loans or participations in respect of an L/C Obligation within two Business Days of the date such Loans were required to be funded hereunder unless such Lender notifies the Administrative Agent and the Lead Borrower in writing that such failure is the result of such Lender's determination that one or more conditions precedent to funding (which conditions precedent, together with the applicable default, if any, shall be specifically identified in such writing) has not been satisfied, or (ii) pay to the Administrative Agent, any L/C Issuer, any Swing Line Lender or any other Lender any other amount required to be paid by it hereunder (including in respect of its participation in Letters of Credit or Swing Line Loans) within two Business Days of the date when due, (b) has notified the Lead Borrower, the Administrative Agent or any L/C Issuer or Swing Line Lender in writing that it does not intend to comply with its funding obligations hereunder, or has made a public statement to that effect (unless such writing or public statement relates to such Lenders' obligation to fund a Loan hereunder and states that such position is based on such Lender's determination that a condition precedent to funding (which condition precedent, together with the applicable default, if any, shall be specifically identified in such writing or public statement) cannot be satisfied), (c) has failed, within three Business Days after written request by the Administrative Agent or the Lead Borrower, to confirm in writing to the Administrative Agent and the Lead Borrower that it will comply with its prospective funding obligations hereunder (provided that such Lender shall cease to be a Defaulting Lender pursuant to this clause (c) upon receipt of such written confirmation by the Administrative Agent and the Lead Borrower), or (d) has, or has a direct or indirect parent company that has, after the date of this Agreement, (i) become the subject of a proceeding under any Bankruptcy Law, (ii) had appointed for it a receiver, custodian, conservator, trustee, administrator, assignee for the

benefit of creditors or similar Person charged with reorganization or liquidation of its business or assets, including the Federal Deposit Insurance Corporation or any other state or federal regulatory authority acting in such a capacity or (iii) become the subject of a Bail-In Action; provided that a Lender shall not be a Defaulting Lender solely by virtue of the ownership or acquisition of any equity interest in that Lender or any direct or indirect parent company thereof by a Governmental Authority so long as such ownership interest does not result in or provide such Lender with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment on its assets or permit such Lender (or such Governmental Authority or instrumentality) to reject, repudiate, disavow or disaffirm any contracts or agreements made with such Lender. Any determination by the Administrative Agent that a Lender is a Defaulting Lender under clauses (a) through (d) above, and of the effective date of such status, shall be conclusive and binding absent manifest error, and such Lender shall be deemed to be a Defaulting Lender (subject to Section 2.17(b)) as of the date established therefor by the Administrative Agent in a written notice of such determination, which shall be delivered by the Administrative Agent to the Borrower, the L/C Issuer, the Swing Line Lender and each other Lender promptly following such determination.

"Designated Jurisdiction" means any country or territory that is subject to a comprehensive embargo by the United States Government or other applicable governmental authority.

"Designated Lender" has the meaning specified in Section 9.02.

"Discharge of Senior Credit Obligations" means (i) payment in full in cash of the principal of and interest (including interest accruing on or after the commencement of any Insolvency or Liquidation Proceeding, whether or not a claim for such interest is, or would be, allowed in such Insolvency or Liquidation Proceeding) and premium, if any, on all Indebtedness outstanding under the Loan Documents and termination of all commitments to lend or otherwise extend credit under the Loan Documents, (ii) payment in full in cash of all other Finance Obligations under the Loan Documents that are due and payable or otherwise accrued and owing at or prior to the time such principal and interest are paid (including legal fees and other expenses, costs or charges accruing on or after the commencement of any Insolvency or Liquidation Proceeding, whether or not a claim for such fees, expenses, costs or charges is, or would be, allowed in such Insolvency or Liquidation Proceeding), other than Cash Management Obligations and Swap Obligations not yet due and payable, and (iii) termination, cancellation or Cash Collateralization of all Letters of Credit issued or deemed issued under the Loan Documents.

"Discount Prepayment Accepting Lender" has the meaning specified in Section 2.19(b)(ii).

"Discount Range" has the meaning specified in Section 2.19(c)(i).

"Discount Range Prepayment Amount" has the meaning specified in Section 2.19(c)(i).

"Discount Range Prepayment Notice" means a written notice of a Solicitation of Discount Range Prepayment Offers made pursuant to Section 2.19(c)(i) substantially in the form of Exhibit N hereto.

"Discount Range Prepayment Offer" means the irrevocable written offer by a Term Lender, substantially in the form of Exhibit O hereto, submitted in response to an invitation to submit offers following the Auction Agent's receipt of a Discount Range Prepayment Notice.

"Discount Range Prepayment Response Date" has the meaning specified in Section 2.19(c)(i).

"Discount Range Proration" has the meaning specified in Section 2.19(c)(iii).

"Discounted Prepayment Determination Date" has the meaning specified Section 2.19(d)(iii).

"Discounted Prepayment Effective Date" means in the case of an Offer of Specified Discount Prepayment, Solicitation of Discount Range Prepayment Offer or Solicitation of Discounted Prepayment Offer, five (5) Business Days following the receipt by each relevant Term Lender of notice from the Auction Agent in accordance with Section 2.19(b), Section 2.19(c) or Section 2.19(d), as applicable unless a shorter period is agreed between Parent or any of its Subsidiaries and Auction Agent.

"Discounted Term Loan Prepayment" has the meaning specified in Section 2.19(a).

"Disposition" means, with respect to any Person, a sale, transfer, lease, disposition or Exclusive License of any asset of such Person (including any such transaction effected by way of merger or consolidation and including any issuance of any of Equity Interests in a Subsidiary of such Person). "Dispose" and "Disposed," as to any asset subject to the Disposition, shall have a corollary meaning.

"Disposition Consideration" means (a) for any Disposition (other than an Exclusive License), the aggregate fair market value of any assets sold, transferred, leased or otherwise ~~disposed~~Disposed of and (b) for any Exclusive License, the aggregate cash payment paid to Parent or any Restricted Subsidiary on or prior to the consummation of the Exclusive License (and which, for the avoidance of doubt, shall not include any purchase price adjustment, Milestone Payment, royalty, earnout, contingent payment, back-end or any other deferred payment that may be payable thereafter).

"Disqualified Capital Stock" means any Equity Interest of any Person that is not Qualified Capital Stock.

"Disqualified Institution" means, on any date, (a) any Person designated by the Lead Borrower as a "Competitor" by written notice delivered to the Administrative Agent on or prior to the ~~Closing~~Amendment No. 2 Effective Date, (b) any other Person that is a Competitor (or an Affiliate of a Competitor (other than a bona fide debt fund)), which Person has been designated by the Lead Borrower as a "Disqualified Institution" by written notice to the Administrative Agent and the Lenders (including by posting such notice to the Platform) not less than 3 Business Days prior to such date; provided, that Disqualified Institutions shall exclude any Person that the Lead Borrower has designated as no longer being a "Disqualified Institution" by written notice delivered to the Administrative Agent from time to time. The list of Disqualified Institutions shall be set forth on Schedule 1.01(C) and shall be made available to all Lenders at all times.

"Dollars" and "$" mean lawful money of the United States of America.

"Domestic Guarantor" means each Guarantor that is a Domestic Subsidiary.

"Domestic Subsidiary" means, with respect to any Person, each Subsidiary of such Person that is not a Foreign Subsidiary, and "Domestic Subsidiaries" means any two or more of them.

"DQ List" has the meaning specified in Section 10.06(h)(iv).

"Drug Acquisition" means any acquisition (including any license or any acquisition of any license) solely or primarily of all or any portion of the rights in respect of one or more drugs or pharmaceutical products, whether in development or on market, and related property or assets, but not of Equity Interests in any Person or any operating business unit.

"ECB Banking Authorisation" means: (i) in the case of a licence issued under section 9 of the Central Bank Act 1971 of Ireland prior to 4 November 2014, such a licence which is deemed in accordance with the SSM Regulation to be an authorisation granted by the European Central Bank under the SSM Regulation; or (ii) in any other case, an authorisation granted under the SSM Regulation on the application therefor under section 9 of the Central Bank Act 1971 of Ireland.

"Economic Sanctions Laws" refers to applicable U.S. Laws regarding economic sanctions or embargoes including the International Emergency Economic Powers Act, 50 U.S.C. §§ 1701 et. seq., the Trading with the Enemy Act, 50 U.S.C. §§ 1 et. seq., and any regulations promulgated thereunder imposing economic sanctions or embargoes.

"EEA Financial Institution" means (a) any credit institution or investment firm established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority, (b) any entity established in an EEA Member Country which is a parent of an institution described in clause (a) of this definition, or (c) any financial institution established in an EEA Member Country which is a Subsidiary of an institution described in clauses (a) or (b) of this definition and is subject to consolidated supervision with its parent.

"EEA Member Country" means any of the member states of the European Union, Iceland, Liechtenstein, and Norway.

"EEA Resolution Authority" means any public administrative authority or any Person entrusted with public administrative authority of any EEA Member Country (including any delegee) having responsibility for the resolution of any EEA Financial Institution.

"Eligible Assignee" means (i) a Lender, (ii) in the case of a Loan to an Irish Borrower, (A) an Affiliate of a Lender that is an Approved Affiliate or (B) an Approved Fund that is an Approved Affiliate, (iii) in the case of a Loan to any Borrower other than an Irish Borrower, (A) an Affiliate of a Lender or (B) an Approved Fund, and (iv) any other Person (other than a natural Person (or a holding company, investment vehicle or trust for, or owned and operated for the primary benefit of a natural person)) approved by, solely in the case of this clause (iv), the Administrative Agent (and, in the case of any assignment of a Revolving Commitment, the L/C Issuer and the Swing Line Lender) and unless an Event of Default has occurred and is continuing, the applicable Borrower (each such approval not to be unreasonably withheld or delayed and; provided that, with respect to any Borrower consent that is required, the applicable Borrower shall be deemed to have consented to any such assignment unless it shall object thereto by written notice to the Administrative Agent within five (5) Business Days after the applicable Borrower has received notice thereof); provided that notwithstanding the foregoing (but, for the avoidance of doubt, subject to the provisions of Section 2.19), "Eligible Assignee" shall not include Parent or any of Parent's Subsidiaries. For the avoidance of doubt, any Disqualified Institution is subject to Section 10.06(h).

"Embargoed Person" has the meaning specified Section 5.21(b).

"Employee Benefit Arrangements" means in any jurisdiction the benefit schemes or arrangements in respect of any employees or past employees operated, maintained or contributed to by Parent or any of its Restricted Subsidiaries or in which Parent or any of its Restricted Subsidiaries participates and which provide benefits on retirement, ill-health, injury, death or voluntary withdrawal from or termination of employment, including termination indemnity payments and life assurance and post-retirement medical benefits, other than Plans.

"Environment" means ambient air, indoor air, surface water, groundwater, land and subsurface strata and natural resources such as wetlands, flora and fauna.

"Environmental Laws" means all Laws, Environmental Permits or governmental restrictions relating to pollution or the protection of the Environment, including those relating to the generation, use, transportation, distribution, storage, treatment, disposal, presence, Release or threat of Release of any Hazardous Materials.

"Environmental Liability" means any liability, contingent or otherwise, of Parent or any of its Restricted Subsidiaries resulting from or based on (i) violation of any Environmental Law, (ii) the generation, use, handling, transportation, storage or treatment of any Hazardous Material, (iii) exposure to any Hazardous Material, (iv) the presence, Release or threatened Release of any Hazardous Material into the Environment or (v) any contract or agreement pursuant to which liability is assumed or imposed with respect to any of the foregoing.

"Environmental Permit" means any permit, license, approval, registration, notification, exemption, consent or other authorization required by or from a Governmental Authority under Environmental Law.

"Equity Equivalents" means with respect to any Person any rights, warrants, options, convertible securities, exchangeable securities, indebtedness or other rights, in each case exercisable for or convertible into or exchangeable for, directly or indirectly, Equity Interests of such Person or securities exercisable for or convertible into or exchangeable for Equity Interests of such Person, whether at the time of issuance or upon the passage of time or the occurrence of some future event, but excluding any Indebtedness convertible into or exchangeable for Equity Interests.

"Equity Interests" means all shares of capital stock, partnership interests (whether general or limited), limited liability company membership interests, beneficial interests in a trust and any other interest or participation that confers on a Person the right to receive a share of profits or losses, or distributions of assets, of an issuing Person, but excluding any Indebtedness convertible into or exchangeable for such Equity Interests.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended, and the rules and regulation promulgated thereunder.

"ERISA Affiliate" means each entity that is a member of a "controlled group of corporations," under "common control" or an "affiliated service group" with Parent or any of its Restricted Subsidiaries within the meaning of Section 414(b), (c) or (m) of the Code, or required to be aggregated with Parent or any of its Restricted Subsidiaries under Section 414(o) of the Code or is under "common control" with Parent or any of its Restricted Subsidiaries, within the meaning of Section 4001(a)(14) of ERISA.

"ERISA Event" means:

(i) a reportable event as defined in Section 4043 of ERISA and the regulations issued under such Section with respect to a Plan, excluding, however, such events as to which the PBGC by regulation has waived the requirement of Section 4043(a) of ERISA that it be notified within 30 days of the occurrence of such event;

(ii) the requirements of Section 4043(b) of ERISA apply with respect to a contributing sponsor, as defined in Section 4001(a)(13) of ERISA, of any Plan, and an event described in paragraph (9), (10), (11), (12) or (13) of Section 4043(c) of ERISA is reasonably expected to occur with respect to such Plan within the following 30 days;

(iii) the failure to meet the minimum funding standard of Section 412 of the Code with respect to any Plan (whether or not waived in accordance with Section 412 of the Code), the application for a minimum funding waiver under Section 303 of ERISA with respect to any Plan (or, after the effective date of the Pension Protection Act of 2006, Section 302(c) of ERISA), the failure to make by its due date a required installment under Section 412(m) of the Code (or Section 430(j) of the Code, as amended by the Pension Protection Act of 2006) with respect to any Plan or the failure to make any required contribution to a Multiemployer Plan, the determination that any Plan is, or is expected to be, in "at-risk" status (as defined in Section 303(i)(4) of ERISA or Section 430(i)(4) of the Code);

(iv) (A) the incurrence of any liability by Parent or any of its Restricted Subsidiaries pursuant to Title I of ERISA or to the penalty or excise tax provisions of the Code relating to employee benefit plans (as defined in Section 3 of ERISA), or the occurrence or existence of any event, transaction or condition that could reasonably be expected to result in the incurrence of any such liability by Parent or any of its Restricted Subsidiaries pursuant to Title I of ERISA or to such penalty or excise tax provisions of the Code; or (B) the incurrence of any liability by Parent or any of its Restricted Subsidiaries or an ERISA Affiliate pursuant to Title IV of ERISA or the occurrence or existence of any event, transaction or condition that could reasonably be expected to result in the incurrence of any such liability or imposition of any lien on any of the rights, properties or assets of Parent or any of its Restricted Subsidiaries or any ERISA Affiliate pursuant to Title IV of ERISA or to Section 412 of the Code;

(v) the provision by the administrator of any Plan of a notice pursuant to Section 4041(a)(2) of ERISA (or the reasonable expectation of such provision of notice) of intent to terminate such Plan in a distress termination described in Section 4041(c) of ERISA, the institution by the PBGC of proceedings to terminate any Plan or the occurrence of any event or condition which could reasonably be expected to constitute grounds under ERISA for the termination of a Plan by the PBGC, or the appointment of a trustee by the PBGC to administer any Plan;

(vi) the withdrawal of Parent or any of its Restricted Subsidiaries or ERISA Affiliate in a complete or partial withdrawal (within the meaning of Section 4203 and 4205 of ERISA) from any Multiemployer Plan if there is any potential liability therefor, or the receipt by Parent or any of its Restricted Subsidiaries or ERISA Affiliate of notice from any Multiemployer Plan that it is in reorganization or insolvency pursuant to Section 4241 or 4245 of ERISA or is in "endangered" or "critical" status (within the meaning of Section 432 of the Code or Section 305 of ERISA), or that it intends to terminate or has terminated under Section 4041A or 4042 of ERISA;

(vii) the imposition of liability (or the reasonable expectation thereof) on Parent or any of its Restricted Subsidiaries or ERISA Affiliate pursuant to Section 4062, 4063, 4064 or 4069 of ERISA or by reason of the application of Section 4212(c) of ERISA;

(viii) the assertion of a claim (other than routine claims for benefits) against any Plan (other than a Multiemployer Plan) or the assets thereof, or against Parent or any of its Restricted Subsidiaries or, with respect to a Plan subject to Title IV of ERISA, an ERISA Affiliate, in connection with any Plan;

(ix) the receipt by Parent or any of its Restricted Subsidiaries from the United States Internal Revenue Service of notice of (x) the failure of any Plan (or any Employee Benefit Arrangement intended to be qualified under Section 401(a) of the Code) to qualify under Section

401 (a) of the Code, or (y) the failure of any trust forming part of any Plan or Employee Benefit Arrangement to qualify for exemption from taxation under Section 501(a) of the Code; and

(x) the establishment or amendment by Parent or any of its Restricted Subsidiaries of any Welfare Plan that provides post-employment welfare benefits other than as may be required under applicable law.

"EU Bail-In Legislation Schedule" means the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor person), as in effect from time to time.

"Eurodollar Loan" means at any date a Loan which bears interest at a rate based on the Adjusted Eurodollar Rate.

"Eurodollar Rate" means:

(a) for any Interest Period with respect to a Eurodollar Loan, the rate per annum equal to the London Interbank Offered Rate ("LIBOR") or a comparable or successor rate~~, which rate is approved by the Administrative Agent~~ established pursuant to Section 3.03, as published on the applicable Bloomberg screen page (or such other commercially available source providing such quotations as may be designated by the Administrative Agent from time to time) at approximately 11:00 A.M., London time, two Business Days prior to the commencement of such Interest Period, for Dollar deposits (for delivery on the first day of such Interest Period) with a term equivalent to such Interest Period; and if the Eurodollar Rate shall be less than zero, such rate shall be deemed zero for purposes of this Agreement; and;

(b) for any interest calculation with respect to a Base Rate Loan on any date, the rate per annum equal to LIBOR, at or about 11:00 A.M., London time determined two Business Days prior to such date for U.S. Dollar deposits with a term of one month commencing that day;

provided that to the extent a comparable or successor rate is ~~approved by the Administrative Agent in connection herewith, the approved~~established pursuant to Section 3.03, such established rate shall be applied in a manner consistent with market practice; provided, further that to the extent such market practice is not administratively feasible for the Administrative Agent, such approved rate shall be applied in a manner as otherwise reasonably determined by the Administrative Agent.

"Eurodollar Reserve Percentage" means for any day during any Interest Period, the reserve percentage (expressed as a decimal, carried out to five decimal places) in effect on such day, whether or not applicable to any Lender, under regulations issued from time to time by the Board of Governors of the Federal Reserve System (or any other entity succeeding to the functions currently performed thereby) for determining the maximum reserve requirement (including any emergency, supplemental or other marginal reserve requirement) with respect to eurodollar funding. The Adjusted Eurodollar Rate for each outstanding Eurodollar Loan shall be adjusted automatically on and as of the effective date of any change in the Eurodollar Reserve Percentage.

"EUSA Pharma (Luxembourg) Account Pledge Agreement" means the Luxembourg law governed account pledge agreement entered into between EUSA Pharma (Luxembourg) S.à r.l. and the Collateral Agent.

"EUSA Pharma (Luxembourg) Share Pledge Agreement" means the Luxembourg law governed share pledge agreement entered into between the EUSA Pharma International Limited, the Collateral Agent and EUSA Pharma (Luxembourg) S.à r.l.

"Event of Default" has the meaning specified in Section 8.01.

"Excess Cash Flow" means, for any period, without duplication:

(a) the sum of:

(i) Consolidated Net Income (or loss) for such period, *plus*

(ii) the aggregate amount of all non-cash charges deducted (less the amount of all non-cash credits included) in arriving at such Consolidated Net Income (or loss), *plus*

(iii) the difference, if positive, of the amount of Consolidated Working Capital at the end of the prior Excess Cash Flow Period (or the beginning of the Excess Cash Flow Period in the case of the first Excess Cash Flow Period) over the amount of Consolidated Working Capital at the end of such Excess Cash Flow Period, *plus*

(iv) the amount of any loss (less any gain) incurred in connection with the receipt of Net Cash Proceeds (other than sales of inventory and other Dispositions in the ordinary course of business) of the type described in clause (i) of the definition thereof to the extent included in Consolidated Net Income (or loss), *plus*

(v) the aggregate amount of cash dividends and other cash distributions received during such period by Parent or any Restricted Subsidiary in respect of minority Equity Interests in any Person, *less*

(b) the sum of:

(i) the aggregate amount of Consolidated Capital Expenditures (A) made or paid by the Parent and its Subsidiaries in cash during such period solely to the extent permitted by this Agreement and (B) excluding any amount funded with proceeds from the issuance of Funded Indebtedness (other than revolving Indebtedness) or Equity Interests, *plus*

(ii) the aggregate amount of Investments, Restricted Payments and acquisitions of intellectual property (A) made or paid by Parent and its Subsidiaries in cash during such period solely to the extent permitted by this Agreement and (B) excluding any amount funded (I) with the proceeds from the issuance of Funded Indebtedness (other than revolving Indebtedness) or Equity Interests or (II) out of the Available Amount, *plus*

(iii) the aggregate amount of all regularly scheduled and other mandatory principal payments of Consolidated Funded Indebtedness made during such period, excluding any amount funded with proceeds from the issuance of Funded Indebtedness (other than revolving Indebtedness) or Equity Interests, *plus*

(iv) the aggregate principal amount of all optional prepayments or repurchases (if such repurchases are made at a discount, the amount paid for such repurchases) of Consolidated Funded Indebtedness (other than Consolidated Funded Indebtedness that is revolving in nature) made during such period, excluding any amount funded through (I) proceeds from the issuance of Funded Indebtedness (other than revolving Indebtedness) or Equity Interests, (II) proceeds from any Asset Disposition or (III) proceeds of any Casualty or Condemnation, *plus*

(v) the absolute value of the difference, if negative, of the amount of Consolidated Working Capital at the end of the prior Excess Cash Flow Period (or the beginning of the Excess Cash Flow Period in the case of the first Excess Cash Flow Period) over the amount of Consolidated Working Capital at the end of such Excess Cash Flow Period, *plus*

(vi) any premium, make-whole or penalty payments paid in cash during such period in connection with the prepayment, redemption, purchase, defeasance or other satisfaction prior to scheduled maturity of Indebtedness permitted to be prepaid, redeemed, purchased, defeased or satisfied hereunder to the extent such premium, make-whole or penalty payments are not expensed during such period or otherwise deducted in calculating Consolidated Net Income, excluding any amount funded (I) with proceeds from the issuance of Funded Indebtedness (other than revolving Indebtedness) or Equity Interests, (II) with proceeds from any Asset Disposition, or (III) with the proceeds of any Casualty or Condemnation, *plus*

(vii) the aggregate amount of net income in respect of minority Equity Interests in any Person for such period included in arriving at such Consolidated Net Income (or loss).

"Excess Cash Flow Period" means (a) the period commencing on April 1, 2015 and ending on June 30, 2015 and (b) each fiscal quarter of Parent thereafter.

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

"Excluded Assets" means:

(a) real property owned by Parent or any Subsidiary with a fair market value less than $10,000,000 and any leasehold interest in real property;

(b) motor vehicles and other assets subject to certificates of title;

(c) any governmental licenses or state or local franchises, charters and authorizations, to the extent a security interest in any such license, franchise, charter or authorization is prohibited or restricted thereby (after giving effect to the applicable anti-assignment provisions of the UCC or other applicable Law);

(d) (i) Equity Interests in joint ventures, Persons that are not Subsidiaries or any non-Wholly Owned Subsidiaries to the extent not permitted by the terms of such entity's Organization Documents or joint venture documents and (ii) Margin Stock;

(e) any lease, license or agreement or property subject to a purchase money security interest or similar arrangement permitted by the Credit Agreement to the extent that a grant of a security interest therein would violate or invalidate such lease, license or agreement or purchase money arrangement or create a right of termination in favor of any other party thereto (after giving effect to the applicable anti-assignment provisions of the UCC or other applicable Law), other than proceeds and receivables thereof, the assignment of which is expressly deemed effective under the UCC or other applicable Law notwithstanding such prohibition;

(f) any assets (including intangibles) not located in the United States to the extent the grant of a security interest therein is restricted or prohibited by applicable Law or contract (after giving effect to applicable anti-assignment provisions of the UCC or other applicable Law);

(g) any intent-to-use application trademark application prior to the filing of a "Statement of Use" or "Amendment to Allege Use" with respect thereto, to the extent, if any, that, and solely during the period, if any, in which, the grant of a security interest therein would impair the validity or enforceability of such intent-to-use trademark application under applicable federal Law;

(h) voting Equity Interests in a Foreign Subsidiary of the U.S. Borrower, which Foreign Subsidiary is not a Loan Party, in excess of 65% of the total voting Equity Interests in such Subsidiary; and voting Equity Interests in a Domestic Subsidiary of the U.S. Borrower which Domestic Subsidiary holds no material assets other than Equity Interests in one or more Subsidiaries that are CFCs in excess of 65% of the total voting Equity Interests in such Domestic Subsidiary;

(i) all commercial tort claims (as defined in the UCC) below $1,000,000; and

(j) any other assets where the cost of obtaining or perfecting a security interest in such assets exceeds the practical benefit to the Lenders afforded thereby as reasonably determined by the Administrative Agent in writing (in consultation with the Lead Borrower).

"Excluded Subsidiary" means (a) any Subsidiary that is prohibited by any Law or by any contractual obligation existing on the Closing Date (or, if later, the date of acquisition of such Subsidiary) from guaranteeing the Senior Credit Obligations or any Subsidiary that would require consent, approval, license or authorization of any Governmental Authority in order to guarantee the Senior Credit Obligations unless such consent, approval, license or authorization has been received, (b) any Foreign Subsidiary of the U.S. Borrower that is a CFC, (c) any Domestic Subsidiary of the U.S. Borrower that holds no material assets other than Equity Interests in one or more Subsidiaries that are CFCs, (d) any Foreign Subsidiary for which the providing of the guarantee under the Guaranty Agreement could reasonably be expected to result in any violation or breach of, or conflict with, fiduciary duties of such Subsidiary's officers, directors or managers, (e) any Subsidiary that is not a Wholly Owned Subsidiary of Parent, (f) any Immaterial Subsidiary and (g) those Foreign Subsidiaries as to which the Lead Borrower and the Administrative Agent shall reasonably determine in writing that the costs of providing the guarantee under the Guaranty Agreement are excessive in relation to the value to be afforded thereby.

"Excluded Swap Obligation" means, with respect to any Guarantor at any time, any CEA Swap Obligation, if, and to the extent that, all or a portion of the Guarantee of such Guarantor of, or the grant by such Guarantor of a security interest to secure, such CEA Swap Obligation (or any Guarantee thereof) is illegal at such time under the Commodity Exchange Act or any rule, regulation or order of the Commodity Futures Trading Commission (or the application or official interpretation of any thereof) by virtue of such Guarantor's failure for any reason to constitute an "eligible contract participant" as defined in the Commodity Exchange Act and the regulations thereunder at the time the Guarantee of such Subsidiary Guarantor or the grant of such security interest becomes effective with respect to such CEA Swap Obligation. If a CEA Swap Obligation arises under a master agreement governing more than one swap, such exclusion shall apply only to the portion of such CEA Swap Obligation that is attributable to swaps for which such Guarantee or security interest is or becomes illegal.

"Excluded Taxes" means, with respect to the Administrative Agent, any Lender Party or any other recipient of any payment made by or on account of any obligation of any Loan Party under any Loan Document,

(a) Taxes imposed on (or measured by) overall net income, and franchise Taxes imposed (in lieu of net income Taxes), by the jurisdiction under the laws of which such recipient is organized or in which its office is located or, in the case of any Lender, in which its Lending Office is located, or as a result of a present or former connection between such recipient and the jurisdiction (or any political subdivision thereof) of the Governmental Authority imposing such Tax (other than a connection arising solely from such recipient having executed, delivered, performed its obligations or received a payment under, received or perfected a security interest under, having been a party to, having enforced, or having engaged in any other transaction pursuant to this Agreement or any other Loan Document);

(b) any branch profits Taxes under Section 884(a) of the Code, or any similar Taxes, imposed by a jurisdiction described in clause (a) of this definition;

(c) solely in the case of any Term Loan made on the ~~Closing~~Amendment No. 2 Effective Date and any Revolving Loan, any U.S. federal withholding Taxes imposed on or with respect to amounts payable to a Non-U.S. Lender by a law in effect on the date on which such Non-U.S. Lender becomes a party hereto (or designates a new Lending Office), except (i) to the extent that such Non-U.S. Lender (or its assignor) was entitled, at the time of designation of a new Lending Office (or assignment), to receive additional amounts from the applicable Loan Party with respect to such withholding Tax pursuant to Section 3.01, or (ii) if such Non-U.S. Lender is an assignee pursuant to a request by the applicable Borrower under Section 3.07;

(d) solely in the case of any Term Loan made on the ~~Closing~~Amendment No. 2 Effective Date and any Revolving Loan, any U.S. federal withholding Taxes attributable to such recipient's failure to timely comply with Section 3.01(f); or

(e) any U.S. federal Taxes imposed under FATCA.

"Exclusive License" means, with respect to any drug or pharmaceutical product, any license to develop, commercialize, sell, market and promote such drug or pharmaceutical product with a term greater than five (5) years (unless terminable prior to such time without material penalty or premium by the applicable Loan Party) and which provides for exclusive rights to develop, commercialize, sell, market and promote such drug or product within the United States; provided that an "Exclusive License" shall not include (a) any license to distribute any such drug or product on an exclusive basis within any particular geographic region or territory, (b) any licenses, which may be exclusive, to manufacture any such drug or product, and (c) any license to manufacture, use, offer for sale or sell any authorized generic version of such drug or product. "Exclusively License" shall have the correlative meaning.

"Existing Credit Agreement" means the Credit Agreement dated June 12, 2012, as amended, by and among Parent, Jazz Pharmaceuticals, Inc., Jazz Pharmaceuticals Ireland Limited, Jazz Financing I ~~Limited~~Designated Activity Company, each of the lenders party thereto and Barclays Bank PLC, as administrative agent.

~~"Existing Letter of Credit" means that certain Irrevocable Standby Letter of Credit, dated January 26, 2015, issued by JPMorgan Chase Bank, N.A. to The Board of Trustees of the Leland Stanford Junior University Office of Land, Buildings and Real Estate at the request of Jazz Pharmaceuticals, Inc..~~

"Facility Office" means the office or offices notified by a Lender to the Agent in writing on or before the date it becomes a Lender (or following that date, by not less than five Business Days' written notice) as the office or offices through which it will perform its obligations under this Agreement.

"Failed Loan" has the meaning specified in Section 2.03(d).

"FATCA" means Sections 1471 through 1474 of the Code as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof, and any agreement entered into pursuant to Section 1471(b)(1) of the Code as of the date of this Agreement (or any amended or successor version described above).

"FCPA" has the meaning set forth in Section 5.22.

"Federal Funds Rate" means, for any day, the rate per annum equal to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System, as published by the Federal Reserve Bank of New York on the Business Day next succeeding such day; provided that (i) if such day is not a Business Day, the Federal Funds Rate for such day shall be such rate on such transactions on the next preceding Business Day as so published on the next succeeding Business Day, and (ii) if no such rate is so published on such next succeeding Business Day, the Federal Funds Rate for such day shall be the average rate (rounded upward, if necessary, to a whole multiple of 1/100 of 1%) charged to Bank of America on such day on such transactions as determined by the Administrative Agent.

"Fee Letter" means the Fee Letter dated May 24, 2015 between Parent and Bank of America.

"Finance Document" means (i) each Loan Document, (ii) each Swap Agreement between one or more Loan Parties and a Swap Creditor evidencing Swap Obligations and (iii) each Secured Cash Management Agreement, and "Finance Documents" means all of them, collectively.

"Finance Obligations" means, at any date, (i) all Senior Credit Obligations, (ii) all Swap Obligations of a Loan Party permitted hereunder owed or owing to any Swap Creditor and (iii) all Cash Management Obligations.

"Finance Party" means each Lender, the Swing Line Lender, each L/C Issuer, each Swap Creditor, each Cash Management Bank, each Agent and each Indemnitee and their respective successors and assigns, and "Finance Parties" means any two or more of them, collectively.

"Financial Officer" means the chief financial officer, principal accounting officer, senior vice president of finance, treasurer or controller of Parent.

"First Lien Intercreditor Agreement" means a First Lien Intercreditor Agreement among the Administrative Agent, the Collateral Agent and one or more Senior Representatives for holders of Indebtedness secured by Liens on the Collateral that are *pari passu* with the Liens on the Collateral securing the Senior Credit Obligations, in form and substance reasonably satisfactory to the Administrative Agent.

"Flood Laws" shall mean the National Flood Insurance Reform Act of 1994 and related legislation.

"Foreign Collateral Documents" means the Irish Security Documents, the Bermuda Share Charges, the Luxembourg Account Pledge Agreements, the Luxembourg Share Pledge Agreements, the

Gibraltar Share Charge, the French Share Pledge Agreement, the Italian Collateral Documents and each of the other documents set forth on Schedule 1.01(B).

"Foreign Pension Plan" means any plan, fund (including, without limitation, any superannuation fund) or other similar program established or maintained outside the United States by Parent or any Restricted Subsidiary primarily for the benefit of employees of Parent or any Restricted Subsidiary residing outside the United States, which plan, fund or other similar program provides, or results in, retirement income, a deferral of income in contemplation of retirement or payments to be made upon termination of employment, and which plan is not subject to ERISA or the Code.

"Foreign Guarantor" means Parent and each Guarantor that is a Foreign Subsidiary.

"Foreign Subsidiary" means any Subsidiary that is organized under the laws of a jurisdiction other than the United States of America, any State thereof or the District of Columbia.

"French Share Pledge Agreement" means that certain French law governed share pledge agreement entered into between EUSA Pharma (Luxembourg) S.à r.l. and the Collateral Agent.

"Fronting Exposure" means, at any time there is a Defaulting Lender, (a) with respect to the L/C Issuer, such Defaulting Lender's Applicable Percentage of the outstanding L/C Obligations other than L/C Obligations as to which such Defaulting Lender's participation obligation has been reallocated to other Revolving Lenders or Cash Collateralized in accordance with the terms hereof, and (b) with respect to any Swing Line Lender, such Defaulting Lender's Applicable Percentage of Swing Line Loans other than Swing Line Loans as to which such Defaulting Lender's participation obligation has been reallocated to other Revolving Lenders or Cash Collateralized in accordance with the terms of Section 2.17(a)(iv).

"Fund" means any Person (other than a natural Person) that is (or will be) engaged in making, purchasing, holding or otherwise investing in commercial loans and similar extensions of credit in the ordinary course of its activities.

"Funded Indebtedness" means, with respect to any Person, all Indebtedness of such Person that by its terms matures more than one year after the date of determination or incurrence or matures within one year from such date but is renewable or extendible, at the option of such Person, to a date more than one year after such date or arises under a revolving credit or similar agreement that obligates the lender or lenders to extend credit during a period of more than one year after such date, including, without limitation, all amounts of Funded Indebtedness of such Person required to be paid or prepaid within one year after the date of its creation.

"GAAP" means, subject to Section 1.03(b), United States generally accepted accounting principles as in effect as of the date of determination thereof.

"Gentium" means Gentium S.p.A, a *società per azioni* incorporated in Italy.

"Gentium Acquisition" means the acquisition of Gentium pursuant to that certain Tender Offer Agreement dated December 19, 2013 among Parent, Jazz Pharmaceuticals Italy S.r.L., an Italian *società a responsabilità limitata*, and Gentium, including the subsequent acquisition of any Equity Interests remaining after the tender offer contemplated thereby.

"Gibraltar Share Charge" means a charge granted by the Parent and Jazz Pharmaceuticals Holdings Inc. of their equity interests in Jazz Pharmaceuticals Europe Holdings Limited (formerly EUSA

Pharma International Limited) in favor of the Collateral Agent for the benefit of the Finance Parties, which charge shall be in form and substance reasonably satisfactory to the Collateral Agent.

"Government Acts" has the meaning specified in Section 2.05(l).

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

"Group" means at any time a group of Loans consisting of (i) all Loans which are Base Rate Loans at such time or (ii) all Loans which are Eurodollar Loans having the same Interest Period at such time; provided that, if a Loan of any particular Lender is converted to or made as a Base Rate Loan pursuant to Article III, such Loan shall be included in the same Group or Group of Loans from time to time as it would have been had it not been so converted or made.

"Guarantee" of or by any Person (the "guarantor") means any obligation, contingent or otherwise, of the guarantor guaranteeing or having the economic effect of guaranteeing any Indebtedness or other obligation of any other Person (the "primary obligor") in any manner, whether directly or indirectly, and including any obligation of the guarantor, direct or indirect, (a) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other obligation or to purchase (or to advance or supply funds for the purchase of) any security for the payment thereof, (b) to purchase or lease property, securities or services for the purpose of assuring the owner of such Indebtedness or other obligation of the payment thereof, (c) to maintain working capital, equity capital or any other financial statement condition or liquidity of the primary obligor so as to enable the primary obligor to pay such Indebtedness or other obligation or (d) as an account party in respect of any letter of credit or letter of guaranty issued to support such Indebtedness or obligation; provided that the term Guarantee shall not include endorsements for collection or deposit in the ordinary course of business or customary and reasonable indemnity obligations in effect on the ~~Closing~~Amendment No. 2 Effective Date or entered into in connection with any acquisition or Disposition of assets permitted under this Agreement (other than such obligations with respect to Indebtedness). The amount of any Guarantee shall be deemed to be an amount equal to the lesser of (a) the stated or determinable amount of the primary payment obligation in respect of which such Guarantee is made and (b) the maximum amount for which the guaranteeing Person may be liable pursuant to the terms of the instrument embodying such Guarantee, unless such primary payment obligation and the maximum amount for which such guaranteeing Person may be liable are not stated or determinable, in which case the amount of the Guarantee shall be such guaranteeing Person's maximum reasonably possible liability in respect thereof as reasonably determined by Parent in good faith.

"Guaranteed Obligations" shall have the meaning as set forth in the Guaranty Agreement.

"Guarantor" means collectively, (A) Parent, (B) each Restricted Subsidiary of Parent (except (i) the Lead Borrower with respect to Guaranteed Obligations of the Lead Borrower, (ii) the U.S. Borrower with respect to Guaranteed Obligations of the U.S. Borrower, (iii) Jazz Financing I with respect to Guaranteed Obligations of Jazz Financing I, (iv) Jazz Ireland with respect to Guaranteed Obligations of Jazz Ireland and (v) and any Excluded Subsidiary) and (C) each Subsidiary of Parent that becomes a party to the Guaranty Agreement or other guaranty agreement after the Closing Date required pursuant to Section 6.09, and "Guarantors" means any two or more of them.

"Guaranty Agreement" means the Guaranty, substantially in the form of Exhibit E hereto, by Parent and the Subsidiary Guarantors in favor of the Administrative Agent, as the same may be

amended, modified or supplemented from time to time in accordance with the terms thereof and of this Agreement.

"Hazardous Materials" means all materials, chemicals, substances, wastes, pollutants, contaminants, compounds, mixtures and constituents in any form, including petroleum or petroleum products, asbestos or asbestos-containing materials, polychlorinated biphenyls or radon gas, regulated pursuant to, or which can give rise to liability under, any Environmental Law.

"HMT" has the meaning set forth in the definition of "Sanction(s)."

"Honor Date" has the meaning specified in Section 2.05(e)(i).

"Identified Participating Lenders" has the meaning specified in Section 2.19(c)(iii).

"Identified Qualifying Lenders" has the meaning specified in Section 2.19(c)(iii).

"Immaterial Asset Sale" means any Disposition or series of related Dispositions of property in respect of which the fair market value of such property and the Disposition Consideration payable to the Parent or any of its Restricted Subsidiaries is equal to or less than $~~20,000,000.~~50,000,000.

"Immaterial Subsidiary" means, as of any date of determination, any direct or indirect Subsidiary of Parent that has been designated by Parent to the Administrative Agent in writing (and not redesignated as a Material Subsidiary as provided below) as an "Immaterial Subsidiary"; provided that (i) for purposes of this Agreement, at no time shall (a) (I) the total assets of any Immaterial Subsidiary equal or exceed 5% of Consolidated Total Assets as of the end of the most recently completed Test Period or (II) the revenues for any Immaterial Subsidiary equal or exceed 5% of the consolidated revenues of Parent and its Restricted Subsidiaries for such Test Period or (b) (I) the total assets of all Immaterial Subsidiaries equal or exceed, in the aggregate, 10% of Consolidated Total Assets as of the end of the most recently completed Test Period or (II) the revenues for all Immaterial Subsidiaries equal or exceed, in the aggregate, 10% of the consolidated revenues of Parent and its Restricted Subsidiaries for such Test Period, (ii) the Parent shall not designate any new Immaterial Subsidiary if such designation would not comply with the provisions set forth in clause (i) above, (iii) if the total assets or revenues of all Subsidiaries so designated by Parent as "Immaterial Subsidiaries" (and not redesignated as "Material Subsidiaries") shall at any time exceed the limits set forth in clause (i)(b) above, then Parent (or in the event Parent has failed to do so concurrently with the delivery of financial statements required for such Test Period by Section 6.01(a) or (b), the Administrative Agent) shall redesignate one or more Immaterial Subsidiaries as Material Subsidiaries such that, as a result thereof, the total assets and revenues of all Subsidiaries still designated as "Immaterial Subsidiaries" do not exceed such limits, and (iv) no Borrower nor any direct or indirect parent company of any Borrower may be designated as an "Immaterial Subsidiary"; and provided, further, that Parent may designate and re-designate a Subsidiary as an Immaterial Subsidiary at any time, subject to the terms set forth in this definition. Notwithstanding the foregoing, for any determination made as of or prior to the date any Person becomes an indirect or direct Subsidiary of Parent, such determination and designation shall be made based on financial statements provided by or on behalf of such Person in connection with the acquisition by Parent of such Person or such Person's assets.

"Impacted Loans" has the meaning assigned to such term in Section ~~3.3~~3.03.

"Increase Effective Date" has the meaning set forth in Section 2.15(a).

"Increase Joinder" has the meaning set forth in Section 2.15(c).

"Incremental Facilities" has the meaning set forth in Section 2.15(a).

"Incremental Loans" means, collectively, the Incremental Term Loans and Incremental Revolving Loans.

"Incremental Revolving Commitment Percentage" means, for each Lender, the percentage of the aggregate Incremental Revolving Commitments represented by such Lender's Incremental Revolving Commitment at such time and identified as its Incremental Revolving Commitment Percentage in any Increase Joinder, as such percentage may be modified in connection with any Assignment and Assumption made in accordance with the provisions of Section 10.06(b).

"Incremental Revolving Commitments" has the meaning set forth in Section 2.15(a).

"Incremental Revolving Increase" has the meaning set forth in Section 2.15(a).

"Incremental Revolving Loans" has the meaning set forth in Section 2.15(a).

"Incremental Term Facility" has the meaning set forth in Section 2.15(a).

"Incremental Term Loan Commitment Percentage" means, for each Lender, the percentage of the aggregate Incremental Term Loan Commitments represented by such Lender's Incremental Term Loan Commitment at such time and identified as its Incremental Term Loan Commitment Percentage in any Increase Joinder, as such percentage may be modified in connection with any Assignment and Assumption made in accordance with the provisions of Section 10.06(b).

"Incremental Term Loan Commitments" has the meaning set forth in Section 2.15(a).

"Incremental Term Loans" has the meaning set forth in Section 2.15(a).

"Indebtedness" of any Person means, without duplication, (a) all obligations of such Person for borrowed money, (b) all obligations of such Person evidenced by bonds, debentures, notes or similar instruments, (c) all obligations of such Person under conditional sale or other title retention agreements relating to property acquired by such Person (excluding trade accounts payable and accrued expenses arising in the ordinary course of business and licenses in the ordinary course of business), (d) all obligations of such Person in respect of the deferred purchase price of property or services (but excluding (i) trade accounts and accrued expense payable incurred in the ordinary course of business, (ii) payroll liabilities and deferred compensation and (iii) any purchase price adjustment, royalty, earnout, Milestone Payment, contingent payment, back-end payment, deferred funding obligations or deferred payment of a similar nature incurred in connection with an acquisition, license or Investment (including the acquisition of any options to acquire or license any assets or make any Investment), (e) all Capital Lease Obligations and Synthetic Lease Obligations of such Person, (f) all obligations, contingent or otherwise, of such Person as an account party in respect of letters of credit and surety bonds, (g) all obligations, contingent or otherwise, of such Person in respect of bankers' acceptances, (h) all Indebtedness of others secured by (or for which the holder of such Indebtedness has an existing right, contingent or otherwise, to be secured by) any Lien on property owned or acquired by such Person, whether or not the Indebtedness secured thereby has been assumed; provided that, if such Person has not assumed or otherwise become liable in respect of such Indebtedness, such obligations shall be deemed to be in an amount equal to the lesser of (i) the unpaid amount of such Indebtedness and (ii) fair market value of such property at the time of determination (in Parent's good faith estimate), (i) all Guarantees by such Person of Indebtedness of others and (j) all Disqualified Capital Stock. The Indebtedness of any Person shall include the Indebtedness of any other entity (including any partnership in which such Person is a general partner) to the extent such Person is

liable therefor as a result of such Person's ownership interest in or other relationship with such entity, except to the extent the terms of such Indebtedness provide that such Person is not liable therefor.

"Indemnified Liabilities" has the meaning specified in Section 10.04(b).

"Indemnified Taxes" means any Taxes other than Excluded Taxes.

"Indemnitee" has the meaning specified in Section 10.04(b).

"Information" has the meaning specified in Section 10.07.

"Insolvency or Liquidation Proceeding" means (i) any voluntary or involuntary case or proceeding under the Bankruptcy Code or any other Bankruptcy Law with respect to any Loan Party, (ii) any other voluntary or involuntary insolvency, examinership, reorganization or bankruptcy case or proceeding, or any receivership, liquidation, reorganization or other similar case or proceeding with respect to any Loan Party or with respect to a material portion of their respective assets, (iii) any liquidation, dissolution, examinership, reorganization or winding up of any Loan Party whether voluntary or involuntary and whether or not involving insolvency or bankruptcy or (iv) any assignment for the benefit of creditors or any other marshaling of assets and liabilities of any Loan Party.

"Insurance Proceeds" means all insurance proceeds (other than business interruption insurance proceeds), damages, awards, claims and rights of action with respect to any Casualty.

"Intercompany Note" means a promissory note contemplated by Section 7.04(d), substantially in the form of Exhibit H hereto or such other form as is reasonably acceptable to the Administrative Agent, and "Intercompany Notes" means any two or more of them.

"Interest Coverage Ratio" means, as of any date of determination, the ratio of (a) Consolidated EBITDA for the most recently ended Test Period to (b) Consolidated Cash Interest Expense for such Test Period.

"Interest Payment Date" means (i) as to Base Rate Loans, the last Business Day of each March, June, September and December (commencing September 30, 2015) and the Maturity Date for Loans of the applicable Class and (ii) as to Eurodollar Loans, the last day of each applicable Interest Period and the Maturity Date for Loans of the applicable Class, and in addition where the applicable Interest Period for a Eurodollar Loan is greater than three months, then also the respective dates that fall every three months after the beginning of such Interest Period.

"Interest Period" means with respect to each Eurodollar Loan, the period commencing on the date such Eurodollar Loan is disbursed or converted to or continued as a Eurodollar Loan and ending on the date one, two, three or six months thereafter (in each case, subject to availability), as selected by the applicable Borrower in its Notice of Borrowing, or such other period that is twelve months or less requested by the applicable Borrower and consented to by all relevant Lenders; provided that:

(i) any Interest Period that would otherwise end on a day that is not a Business Day shall, subject to clause (iii) below, be extended to the next succeeding Business Day unless such Business Day falls in another calendar month, in which case such Interest Period shall end on the next preceding Business Day;

(ii) any Interest Period that begins on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such

Interest Period) shall end on the last Business Day of the calendar month at the end of such Interest Period; and

(iii) no Interest Period shall extend beyond the Maturity Date for Loans of the applicable Class.

"Investment" has the meaning specified in Section 7.04.

"Irish Borrowers" means, collectively, the Lead Borrower, Jazz Financing I and Jazz Ireland and "Irish Borrower" means the Lead Borrower, Jazz Financing I or Jazz Ireland, as the context requires.

"Irish Debenture" means the debenture dated 18 June 2015 made among Parent, the Lead Borrower, Jazz Ireland, Jazz Financing I and Jazz Financing II and the Collateral Agent pursuant to which the Parent, the Lead Borrower, Jazz Ireland and Jazz Financing I and Jazz Financing II created fixed and floating charges over their respective assets located in Ireland.

"Irish Lender Tax Certificate" means a certificate substantially in the form of Exhibit F-2, appropriately completed.

"Irish Qualifying Lender" means a Lender Party which is beneficially entitled to interest payable to that Lender Party in respect of an advance under a Loan Document and:

(a) which is the holder of an ECB Banking Authorisation or CBI Banking Authorisation and whose Facility Office is located in Ireland; or

(b) which is a building society (as defined for the purposes of Section 256(1) of the TCA) and which is carrying on a bona fide banking business in Ireland (for the purposes of Section 246(3) of the TCA) and whose Facility Office is located in Ireland; or

(c) which is an authorised credit institution under the terms of Directive 2013/36/EU and has duly established a branch in Ireland having made all necessary notifications to its home state competent authorities required thereunder (and, where applicable in accordance with the SSM Regulation) in relation to its intention to carry on banking business in Ireland and such credit institution is carrying on a bona fide banking business in Ireland (for the purposes of Section 246(3) of the TCA) and whose Facility Office is located in Ireland; or

(d) which is a body corporate:

(i) which, by virtue of the law of a Relevant Territory is resident in the Relevant Territory for the purposes of tax and that Relevant Territory imposes a tax that generally applies to interest receivable in that Relevant Territory by bodies corporate from sources outside that Relevant Territory; or

(ii) which is in receipt of interest under a Loan Document which:

(x) is exempted from the charge to Irish income tax pursuant to the terms of a double taxation treaty entered into between Ireland and another jurisdiction that is in force on the date the relevant interest is paid; or

(y) would be exempted from the charge to Irish income tax pursuant to the

terms of a double taxation treaty entered into between Ireland and another jurisdiction signed on or before the date on which the relevant interest is paid but not in force on that date, assuming that treaty had the force of law on that date;

provided that, in the case of both (i) and (ii) above, such body corporate does not provide its commitment in connection with a trade or business which is carried on in Ireland through a branch or agency; or

(e) in the case only where an Irish Borrower is a qualifying company within the meaning of Section 110 of the TCA, which is a person which by virtue of the law of a Relevant Territory is resident in a Relevant Territory for the purposes of tax provided that such person does not provide its commitment in connection with a trade or business which is carried on in Ireland through a branch or agency in Ireland; or

(f) which is a U.S. corporation that is incorporated under the laws of the United States, any State thereof or the District of Columbia and is subject to tax in the United States on its worldwide income, provided that such U.S. corporation does not provide its commitment in connection with a trade or business which is carried on in Ireland through a branch or agency; or

(g) which is a U.S. LLC, where the ultimate recipients of the interest payable to that LLC satisfy the requirements set out in (d), (e) or (f) above and the business conducted through the LLC is so structured for market reasons and not for tax avoidance purposes, provided that such LLC does not provide its commitment in connection with a trade or business which is carried on by it in Ireland through a branch or agency; or

(h) which is a body corporate:

(i) which advances money in the ordinary course of a trade which includes the lending of money;

(ii) in whose hands any interest payable in respect of money so advanced is taken into account in computing the trading income of that body corporate;

(iii) which has complied with the notification requirements set out in Section 246(5)(a) of the TCA; and

(iv) whose Facility Office is located in Ireland; or

(i) which is a qualifying company (within the meaning of section 110 of the TCA) and whose Facility Office is located in Ireland; or

(j) which is an investment undertaking (within the meaning of Section 739B of the TCA) and whose Facility Office is located in Ireland; or

(k) which is an exempted approved scheme within the meaning of section 774 of the TCA whose Facility Office is located in Ireland; or

(l) which is a Treaty Lender.

"Irish Security Documents" means (a) the Irish Debenture and (b) any Irish law governed share security, which security documents shall be in form and substance reasonably satisfactory to the Collateral Agent.

"ISP" means, with respect to any Letter of Credit, the "International Standby Practices 1998" published by the Institute of International Banking Law & Practice (or such later version thereof as may be in effect at the time of issuance).

"Italian Civil Code" means the Italian civil code, enacted by Royal Decree No. 262 of 16 March 1942, as amended, supplemented and implemented from time to time.

"Italian Collateral Documents" means any collateral document that is expressed to be governed by Italian law.

"Jazz Financial Statements" means the audited consolidated financial statements of Parent and its Subsidiaries for the fiscal years ended December 31, 2012, 2013 and 2014.

"Jazz Financing I" has the meaning specified in the preamble.

"Jazz Financing II" means Jazz Financing II Limited, a company incorporated under the laws of Ireland.

"Jazz Financing Lux Account Pledge Agreement" means the Luxembourg law governed account pledge agreement entered into between Jazz Financing Lux S.à r.l. and the Collateral Agent.

"Jazz Financing Lux Share Pledge Agreement" means the Luxembourg law governed share pledge agreement entered into between Jazz Pharmaceuticals Public Limited Company, the Collateral Agent and Jazz Financing Lux S.à r.l.

"Jazz Ireland" has the meaning specified in the preamble.

"Joint Bookrunners" means Merrill Lynch, Pierce, Fenner & Smith Incorporated (or any other registered broker-dealer wholly-owned by Bank of America Corporation to which all or substantially all of Bank of America Corporation's or any of its subsidiaries' investment banking, commercial lending services or related businesses may be transferred following the Amendment No. 2 Effective Date), Barclays Bank PLC, Citibank, N.A., DNB (UK) Limited, J.P. Morgan Securities LLC, and RBC Capital Markets, in their respective capacities as joint bookrunners.

"Judgment Currency" has the meaning specified in Section 10.16(a).

"Judgment Currency Conversion Date" has the meaning specified in Section 10.16(a).

"Junior Debt Payments" has the meaning specified in Section 7.08(b).

"JV Subsidiary" means any Subsidiary that is not a Wholly Owned Subsidiary and that is a joint venture with a third party unaffiliated with Parent or any other Subsidiary of Parent.

"Latest Maturity Date" means, at any date of determination, the latest maturity or termination date applicable to any Loan or Commitment hereunder at such time, including the latest maturity or expiration date of any Other Term Loan, any Other Term Commitment, any Other Revolving Loan or any Other Revolving Commitment (but excluding, for the avoidance of doubt, any Permitted

External Credit Agreement Refinancing Indebtedness) in each case as extended in accordance with this Agreement from time to time.

"Laws" means, collectively, all applicable international, foreign, Federal, state and local statutes, treaties, rules, guidelines, regulations, ordinances, codes and administrative or judicial precedents or authorities, including the interpretation or administration thereof by any Governmental Authority charged with the enforcement, interpretation or administration thereof, and all applicable administrative orders, directives, licenses, authorizations and permits of any Governmental Authority.

"LCA Election" has the meaning specified in Section 1.03(e).

"LCA Test Date" has the meaning specified in Section 1.03(e).

"L/C Borrowing" means a Revolving Borrowing made pursuant to Section 2.05(e)(iv) and (v) to refinance Unreimbursed Amounts in respect of drawn Letters of Credit.

"L/C Commitment" means the commitment of one or more L/C Issuers to issue Letters of Credit in an aggregate face amount at any one time outstanding (together with the amounts of any unreimbursed drawings thereon) of up to the L/C Sublimit.

"L/C Credit Extension" means, with respect to any Letter of Credit, the issuance thereof or extension of the expiry date thereof, or the increase of the amount thereof.

"L/C Disbursement" means a payment or disbursement made by an L/C Issuer pursuant to a Letter of Credit.

"L/C Documents" means, with respect to any Letter of Credit, such Letter of Credit, any amendments thereto, any documents delivered in connection therewith, any Letter of Credit Request, any Letter of Credit Application and any agreements, instruments, Guarantee or other documents (whether general in application or applicable only to such Letter of Credit) governing or providing for (i) the rights and obligations of the parties concerned or at risk or (ii) any collateral security for such obligations.

"L/C Issuer" means (i) Bank of America ~~and JPMorgan Chase Bank, N.A., in their respective capacities as issuers of Letters of Credit ((x) in the case of Bank of America, with respect to all Letters of Credit other than the Existing Letter of Credit and (y) in the case of JPMorgan Chase Bank, N.A., only with respect to the Existing Letter of Credit)~~, in its capacity as issuer of Letters of Credit under Section 2.05(a), and ~~their respective~~its successor or successors in such capacity and (ii) any other Revolving Lender (or, if reasonably satisfactory to the Administrative Agent, an Affiliate of any Revolving Lender) which the Lead Borrower shall have designated as an "L/C Issuer" by notice to the Administrative Agent with the consent of such other Revolving Lender or Affiliate of a Revolving Lender, as applicable, in each case, through itself or one of its designated Affiliates or branch offices. At any time there is more than one L/C Issuer, any singular references to the L/C Issuer shall mean any L/C Issuer, either L/C Issuer, each L/C Issuer, the L/C Issuer that has issued the applicable Letter of Credit, or both (or all) L/C Issuers, as the context may require. Notwithstanding anything herein to the contrary, neither Bank of America nor any of its branches or Affiliates shall be required to issue any commercial letters of credit hereunder.

"L/C Issuer Fees" has the meaning specified in Section 2.11(b)(iii).

"L/C Obligations" means at any time, the sum of (i) the maximum amount which is, or at any time thereafter may become, available to be drawn under Letters of Credit then outstanding, assuming compliance with all requirements for drawings referred to in such Letters of Credit plus (ii) the aggregate

amount of all Unreimbursed Amounts not then paid by the applicable Borrower as provided in Section 2.05(e)(ii), (iii), (iv) or (v) to the applicable L/C Issuer in respect of drawings under Letters of Credit, including any portion of any such obligation to which a Lender has become subrogated pursuant to Section 2.05(e)(vi). For purposes of computing the amount available to be drawn under any Letter of Credit, the amount of such Letter of Credit shall be determined in accordance with Section 1.06. For all purposes of this Agreement and all other Loan Documents, if on any date of determination a Letter of Credit has expired by its terms but any amount may still be drawn thereunder by reason of the operation of Rule 3.14 of the ISP, such Letter of Credit shall be deemed to be "outstanding" in the amount so remaining available to be drawn.

"L/C Sublimit" means an amount equal to ~~$25,000,000~~ 25,000,000; provided that, as to any L/C Issuer, such L/C Issuer's L/C Sublimit shall not exceed the amount set forth on Schedule 2.01 opposite such L/C Issuer's name or, in the case of an L/C Issuer that becomes an L/C Issuer after the Amendment No. 2 Effective Date, the amount notified in writing to the Administrative Agent by the Lead Borrower and such L/C Issuer; provided that the L/C Sublimit of any L/C Issuer may be increased or decreased if agreed in writing between the Lead Borrower and such L/C Issuer (each acting in its sole discretion) and notified to the Administrative Agent. The L/C Sublimit is a part of, and not in addition to, the Revolving Committed Amount.

"Lead Arrangers" means Merrill Lynch, Pierce, Fenner & Smith Incorporated, Barclays Bank PLC, Citibank, N.A., DNB (UK) Limited, J.P. Morgan Securities LLC, and RBC Capital Markets in their respective capacities as joint arrangers or any successor lead arranger.

"Lead Borrower" has the meaning specified in the preamble.

"Leases" means any and all leases, subleases, tenancies, options, concession agreements, rental agreements, occupancy agreements, franchise agreements, access agreements and any other agreements (including all amendments, extensions, replacements, renewals, modifications and/or guarantees thereof), whether or not of record and whether now in existence or hereafter entered into, affecting the use or occupancy of all or any portion of any real property.

"Lender" means a Revolving Lender, Term Lender and each Eligible Assignee that becomes a Lender pursuant to Section 10.06(b) and their respective permitted successors and shall include, as the context may require, the Swing Line Lender in such capacity and each L/C Issuer in such capacity; it being understood that any Lender may make any Credit Extension to any Borrower by causing any domestic or foreign branch or Affiliate of such Lender that is an Eligible Assignee to make such Credit Extension.

"Lender Party" means any Lender, L/C Issuer or Swing Line Lender.

"Lending Office" means (i) with respect to any Lender and for each Type of Loan made to any Borrower, the "Lending Office" of such Lender (or of an Affiliate of such Lender) designated for such Type of Loan in such Lender's Administrative Questionnaire or in any applicable Assignment and Assumption pursuant to which such Lender became a Lender hereunder or such other office of such Lender (or of an Affiliate of such Lender) as such Lender may from time to time specify to the Administrative Agent and any Borrower as the office by which its Loans of such Type to such Borrower are to be made and maintained, which office may include any Affiliate of such Lender or any domestic or foreign branch of such Lender or such Affiliate that is an Eligible Assignee, and (ii) with respect to any L/C Issuer and for each Letter of Credit made to any Borrower, the "Lending Office" of such L/C Issuer (or of an Affiliate of such L/C Issuer) designated on the signature pages hereto or such other office of such L/C Issuer (or of an Affiliate of such L/C Issuer) as such L/C Issuer may from time to time specify to the Administrative Agent

and such Borrower as the office by which its Letters of Credit are to be issued and maintained with respect to such Borrower, which office may include any Affiliate of such L/C Issuer or any domestic or foreign branch of such L/C Issuer or such Affiliate. Unless the context otherwise requires, each reference to a Lender or L/C Issuer shall include its applicable Lending Office.

"Letter of Credit" means any commercial or standby letter of credit issued hereunder by an L/C Issuer on or after the Closing Date, which provides for the payment of cash upon the honoring of a presentation thereunder ~~and shall include the Existing Letter of Credit~~.

"Letter of Credit Application" means an application and agreement for the issuance or amendment of a Letter of Credit in the form from time to time in use by the applicable L/C Issuer.

"Letter of Credit Expiration Date" means the fifth Business Day prior to the Revolving Termination Date then in effect.

"Letter of Credit Fee" has the meaning specified in Section 2.11(b)(i).

"Letter of Credit Request" has the meaning specified in Section 2.05(c).

"LIBOR Screen Rate" means the LIBOR quote on the applicable screen page the Administrative Agent designates to determine LIBOR (or such other commercially available source providing such quotations as may be designated by the Administrative Agent from time to time).

"LIBOR Successor Rate" has the meaning specified in Section 3.03.

"LIBOR Successor Rate Conforming Changes" means, with respect to any proposed LIBOR Successor Rate, any conforming changes to the definition of Base Rate, Interest Period or Eurodollar Rate, timing and frequency of determining rates and making payments of interest and other administrative matters as may be appropriate, in the discretion of the Administrative Agent, to reflect the adoption of such LIBOR Successor Rate and to permit the administration thereof by the Administrative Agent in a manner substantially consistent with market practice (or, if the Administrative Agent determines that adoption of any portion of such market practice is not administratively feasible or that no market practice for the administration of such LIBOR Successor Rate exists, in such other manner of administration as the Administrative Agent determines in consultation with the Lead Borrower).

"Lien" means any security interest, mortgage, pledge, hypothecation, assignment, deposit arrangement, encumbrance, easement, right-of-way or other encumbrance on title, lien (statutory or otherwise), charge, or preference, priority or other security interest or preferential arrangement in the nature of a security interest of any kind or nature whatsoever (including any conditional sale or other title retention agreement, and any financing lease having substantially the same economic effect as any of the foregoing); provided that any operating lease or license (other than an Exclusive License), and any filing of a UCC financing statement that is a protective lease filing in respect of an operating lease and any filings with the Governmental Authority in respect of any license (other than an Exclusive License) do not constitute Liens.

"Limited Condition Acquisition" means any Permitted Acquisition or other permitted Investment by one or more of Parent and its Restricted Subsidiaries whose consummation is not expressly subject to a condition precedent that requires the availability of, or obtaining, debt or equity financing from a third party.

"Loan" means a Revolving Loan, a Term Loan, an Incremental Term Loan, an Other Term Loan, an Incremental Revolving Loan, an Other Revolving Loan or a Swing Line Loan (or a portion of any

Revolving Loans, Term Loans, Incremental Term Loans, Other Term Loans, Incremental Revolving Loans, Other Revolving Loans or Swing Line Loans), individually or collectively as appropriate; provided that, if any such loan or loans (or portions thereof) are combined or subdivided pursuant to a Notice of Extension/Conversion, the term "Loan" shall refer to the combined principal amount resulting from such combination or to each of the separate principal amounts resulting from such subdivision, as the case may be.

"Loan Documents" means this Agreement, the Notes, the Guaranty Agreement, the Collateral Documents, each L/C Document and any agreement creating or perfecting rights in cash collateral pursuant to the provisions of Section 2.16 of this Agreement, collectively, in each case as the same may be amended, modified or supplemented from time to time, and all other related agreements and documents executed by a Loan Party in favor of, and delivered to, any Senior Credit Party in connection with or pursuant to any of the foregoing, but for the avoidance of doubt, excluding any Swap Agreements and any Cash Management Agreements.

"Loan Parties" means each Borrower and the Guarantors, and "Loan Party" means any of the foregoing.

"Luxembourg Account Pledge Agreements" means collectively the Jazz Financing Lux Account Pledge Agreement and the EUSA Pharma (Luxembourg) Account Pledge Agreement.

"Luxembourg Share Pledge Agreements" means collectively the Jazz Financing Lux Share Pledge Agreement and the EUSA Pharma (Luxembourg) Share Pledge Agreement.

"Margin Stock" means "margin stock" as such term is defined in Regulation U.

"Material Acquisition" means any Permitted Acquisition that involves the payment of aggregate Acquisition Consideration by Parent and its Restricted Subsidiaries in excess of $~~50,000,000.~~200,000,000.

"Material Adverse Effect" means (a) a material adverse effect on the business, property, results of operations, or financial condition of Parent and its Subsidiaries, taken as a whole (after taking into account any applicable insurance and any applicable indemnification (to the extent the provider of such insurance or indemnification has the financial ability to support its obligations with respect thereto and is not disputing or refusing to acknowledge the same)); or (b) material adverse effect on the rights of or benefits or remedies available to the Lenders or the Collateral Agent under any Loan Document.

"Material Disposition" means any Disposition of property or series of related Dispositions of property that involves payment of aggregate Disposition Consideration to Parent and its Restricted Subsidiaries in excess of $~~50,000,000.~~200,000,000.

"Material Indebtedness" means Indebtedness (other than (i) the Loans and Letters of Credit and (ii) Indebtedness solely among Parent and its Restricted Subsidiaries), or obligations in respect of one or more Swap Agreements, of any one or more of Parent and its Restricted Subsidiaries in an aggregate principal amount exceeding $~~50,000,000.~~100,000,000. For purposes of determining Material Indebtedness, the "principal amount" of the obligations of Parent or any Restricted Subsidiary in respect of any Swap Agreement at any time shall be the termination value (giving effect to any netting agreements) that Parent or such Restricted Subsidiary would be required to pay if such Swap Agreement were terminated at such time.

"Material Real Property" has the meaning specified in Section 6.09(d).

"Material Restricted Subsidiary" means each Restricted Subsidiary (i) that, for the most recent Test Period then ended, contributed greater than 10% of Consolidated EBITDA for such period or (ii) that contributed greater than 10% of Consolidated Total Assets as of the end of such Test Period; provided that, if at any time the aggregate amount of Consolidated EBITDA or Consolidated Total Assets attributable to all Restricted Subsidiaries (other than Excluded Subsidiaries) that are not Material Restricted Subsidiaries exceeds 15% of Consolidated EBITDA for any such period or 15% of Consolidated Total Assets as of the end of any such Test Period, Parent (or, in the event Parent has failed to do so concurrently with the delivery of financial statements for such period or quarter required pursuant to Section 6.01(a) or (b), the Administrative Agent) shall designate sufficient Restricted Subsidiaries (other than Excluded Subsidiaries) as "Material Restricted Subsidiaries" to eliminate such excess, and such designated Subsidiaries shall for all purposes of this Agreement constitute Material Restricted Subsidiaries.

"Material Subsidiary" means, at any date of determination, each Subsidiary of the Parent that is not an Immaterial Subsidiary (but including, in any case, any Subsidiary that has been designated as a Material Subsidiary as provided in, or has been designated as an Immaterial Subsidiary in a manner that does not comply with, the definition of "Immaterial Subsidiary").

"Maturity Date" means (i) as to the Revolving Loans and Swing Line Loans, the Revolving Termination Date and (ii) as to Term Loans, the Term Loan Maturity Date.

"Maximum Rate" has the meaning specified in Section 10.09.

"Milestone Payments" means payments made under Contractual Obligations existing during the period of twelve months ending on the Closing Date or Contractual Obligations arising thereafter, in each case in connection with any Permitted Acquisition or other acquisition (including any license or the acquisition of any license) of any rights in respect of any drug or other pharmaceutical product (and any related property or assets) to sellers (or licensors) of the assets or Equity Interests acquired (or licensed) therein based on the achievement of specified revenue, profit or other performance targets (financial or otherwise).

"Minimum Collateral Amount" means, at any time, (a) as to Cash Collateral consisting of cash or deposit account balances, an amount equal to 103 % of the Fronting Exposure of all L/C Issuers with respect to Letters of Credit issued and outstanding at such time and (b) otherwise, an amount determined by the Administrative Agent and the L/C Issuers in their sole discretion.

"MNPI" has the meaning set forth in Section 2.19(a).

"Moody's" means Moody's Investors Service, Inc., a Delaware corporation, and its successors or, absent any such successor, such nationally recognized statistical rating organization as the Lead Borrower and the Administrative Agent may select.

"Mortgage" means each mortgage, deed of trust or other agreement that conveys or evidences a Lien in favor of the Collateral Agent, for the benefit of the Collateral Agent and the Finance Parties, on the Mortgaged Property in form and substance reasonably acceptable to the Collateral Agent, including any amendment, restatement, modification or supplement thereto.

"Mortgage Instruments" means such title reports, certificates of title, title insurance, "Life-of-Loan" flood certifications and flood insurance, opinions of counsel, surveys, appraisals, environmental reports, acknowledged borrower notices of flood insurance requirements and other similar information and related certifications as are customary for the jurisdiction of the applicable Mortgaged Property and in form and substance reasonably acceptable to the Administrative Agent; provided that in the

case of real property located in the United States, Mortgage Instruments may include a "Life-of-Loan" Federal Emergency Standard Flood Hazard Determination (together with a notice about special flood hazard area status and flood disaster assistance duly executed by the U.S. Borrower and each other Loan Party relating thereto), and if such Mortgaged Property is located in a special flood hazard area, evidence of flood insurance confirming that such insurance has been obtained to the extent required by this Agreement.

"Mortgaged Property" means each fee interest in any real property (other than Excluded Assets), if any, owned or acquired after the Closing Date by any Loan Party.

"Multiemployer Plan" means a "multiemployer plan" as defined in Section 3(37) or 4001(a)(3) of ERISA.

"Net Cash Proceeds" means:

(i) with respect to any Asset Disposition (other than the issuance of Equity Interests), Casualty or Condemnation, (A) the gross amount of all cash proceeds (including cash Insurance Proceeds and cash Condemnation Awards) in the case of any Casualty or Condemnation actually paid to or actually received by Parent or any of its Restricted Subsidiaries in respect of such Asset Disposition, Casualty or Condemnation (including any cash proceeds received as income or other proceeds of any noncash proceeds of any Asset Disposition, Casualty or Condemnation as and when received), less (B) the sum of (1) the amount, if any, of all customary fees, legal fees, brokerage fees, commissions, costs and other expenses that are incurred in connection with such Asset Disposition, Casualty or Condemnation and are payable by Parent or any of its Restricted Subsidiaries, but only to the extent not already deducted in arriving at the amount referred to in clause (i)(A) above, (2) Taxes or other amounts paid to any Governmental Authority or reasonably estimated to be payable to any Governmental Authority in connection therewith (including Taxes imposed on the distribution or repatriation of any such Net Cash Proceeds), (3) in the case of any Disposition by, or Condemnation or Casualty affecting, a non-Wholly Owned Restricted Subsidiary, the pro rata portion of the Net Cash Proceeds thereof (calculated without regard to this clause (3)) attributable to minority interests and not available for distribution to or for the account of Parent or a Wholly Owned Restricted Subsidiary as a result thereof, (4) appropriate amounts that must be set aside as a reserve in accordance with GAAP against any indemnities, liabilities (contingent or otherwise) and other third party payments associated with such Asset Disposition, Casualty or Condemnation, (5) if applicable, the principal amount of any Indebtedness secured by a Permitted Lien that has been repaid or refinanced in accordance with its terms with the proceeds of such Asset Disposition, Casualty or Condemnation and (6) any payments to be made by Parent or any of its Restricted Subsidiaries as agreed between Parent or such Restricted Subsidiary and the purchaser of any assets subject to an Asset Disposition, Casualty or Condemnation in connection therewith; and

(ii) with respect to any Debt Issuance or issuance of Equity Interests, the gross amount of cash proceeds paid to or received by Parent or any of its Restricted Subsidiaries in respect of such Debt Issuance or issuance of Equity Interests (including cash proceeds subsequently as and when received at any time in respect of such Debt Issuance or issuance of Equity Interests from non-cash consideration initially received or otherwise), less the sum of underwriting discounts and commissions or placement fees, investment banking fees, legal fees, consulting fees, accounting fees and other customary fees and expenses incurred by Parent or any of its Restricted Subsidiaries in connection therewith.

"Nominal Shares" means (i) for any Foreign Subsidiary, nominal issuances of Equity Interests in an aggregate amount not to exceed 5.0% of the Equity Interests or Equity Equivalents of such Subsidiary on a fully-diluted basis and (ii) in any case, director's qualifying shares, in each case to the extent such issuances are required by applicable Laws.

"Non-Consenting Lender" means any Lender that does not approve any amendment, waiver or consent that (a) requires the approval of all Lenders, all affected Lenders, or all the Lenders with respect to a certain Class of Loans, in accordance with the terms of Section 10.01 and (b) has been approved by the Required Lenders.

"Non-Extension Notice Date" has the meaning specified in Section 2.05(c)(iii).

"Non-U.S. Lender" means any Lender Party that is not a United States Person.

"Note" means a Revolving Note, a Term Note or a Swing Line Note, and "Notes" means any combination of the foregoing.

"Notice of Borrowing" means a request by the applicable Borrower for a Borrowing, substantially in the form of Exhibit A-1 hereto or such other form as may be approved by the Administrative Agent (including any form on an electronic platform or electronic transmission system as shall be approved by the Administrative Agent), appropriately completed and signed by a Responsible Officer of the applicable Borrower.

"Notice of Extension/Conversion" has the meaning specified in Section 2.07(a).

"OFAC" means the U.S. Treasury Department Office of Foreign Assets Control of the United States Department of the Treasury.

"Obligation Currency" has the meaning specified in Section 10.16(a).

"Offer of Specified Discount Prepayment" means the offer by Parent or any of its Subsidiaries to make a voluntary prepayment of Term Loans at a discount to par pursuant to Section 2.19(b).

"Offered Amount" has the meaning specified in Section 2.19(d)(i).

"Offered Discount" has the meaning specified in Section 2.19(d)(i).

"Officer's Certificate" means a certificate executed by the chief executive officer, the president, any vice president, secretary or one of the Financial Officers, each in his or her official (and not individual) capacity.

"OML" means Orphan Medical, LLC, a Delaware limited liability company.

"OML Settlement Agreements" means, collectively, the Civil Settlement Agreement among the United States of America, the U.S. Borrower and OML dated July 13, 2007, (ii) the Non-prosecution Agreement between the United States Attorney's Office for the Eastern District of New York and the U.S. Borrower dated July 13, 2007, (iii) the Plea Agreement between the United States Attorney's Office for the Eastern District of New York and OML dated July 13, 2007 and (iv) the Corporate Integrity Agreement between the Office of Inspector General of the Department of Health and Human Services and the U.S. Borrower dated July 13, 2007.

"Organization Documents" means (i) with respect to any corporation, the certificate or articles of incorporation and the bylaws (or equivalent or comparable constitutive documents with respect to any non-United States jurisdiction); (ii) with respect to any limited liability company, the certificate or articles of formation or organization and operating agreement (or equivalent or comparable constitutive documents with respect to any non-United States jurisdiction); and (iii) with respect to any partnership, joint venture, trust or other form of business entity, the partnership, joint venture or other applicable agreement of formation or organization (or equivalent or comparable constitutive documents with respect to any non-United States jurisdiction) and any agreement, instrument, filing or notice with respect thereto filed in connection with its formation or organization with the applicable Governmental Authority in the jurisdiction of its formation or organization and, if applicable, any certificate or articles of formation or organization of such entity.

"Other Revolving Commitment Percentage" means, for each Lender, for each Class of Other Revolving Commitments, the percentage of the aggregate Other Revolving Commitments of such Class represented by such Lender's Other Revolving Commitment of such Class at such time and identified as its Other Revolving Commitment Percentage of such Class in the relevant Refinancing Amendment, as such percentage may be modified in connection with any Assignment and Assumption made in accordance with the provisions of Section 10.06(b).

"Other Revolving Commitments" means one or more Classes of revolving credit commitments hereunder that result from a Refinancing Amendment.

"Other Revolving Loans" means the Revolving Loans made pursuant to any Other Revolving Commitment.

"Other Taxes" means all present or future stamp, court, documentary, intangible, recording, or filing Taxes, or any other excise, property or similar Taxes that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, any Loan Document.

"Other Term Commitment Percentage" means, for each Lender, for each Class of Other Term Commitments, the percentage of the aggregate Other Term Commitments of such Class represented by such Lender's Other Term Commitment of such Class at such time and identified as its Other Term Commitment Percentage of such Class in the relevant Refinancing Amendment, as such percentage may be modified in connection with any Assignment and Assumption made in accordance with the provisions of Section 10.06(b).

"Other Term Commitments" means one or more Classes of term loan commitments hereunder that result from a Refinancing Amendment.

"Other Term Loans" means one or more Classes of Term Loans that result from a Refinancing Amendment.

"Outstanding Amount" means, with respect to any L/C Obligations on any date, the amount of such L/C Obligations on such date, including any L/C Borrowings outstanding on such date, but after giving effect to any reimbursements of outstanding unpaid drawings under any Letters of Credit (including any refinancing of outstanding unpaid drawings under Letters of Credit or L/C Borrowings as a Revolving Borrowing) or any reductions in the maximum amount available for drawing under Letters of Credit taking effect on or before such date.

"Parent" has the meaning specified in the preamble.

"Participant" has the meaning specified in Section 10.06(d).

"Participant Register" has the meaning specified in Section 10.06(d).

"Participating Lender" has the meaning specified in Section 2.19(c)(ii).

"Participation Interest" means a Credit Extension by a Lender by way of a purchase of a participation interest in Letters of Credit or L/C Obligations as provided in Section 2.05(e), in Swing Line Loans as provided in Section 2.01(c)(vi) or in any Loans as provided in Section 2.13.

"Patriot Act" has the meaning set forth in Section 10.14.

"PBGC" means the Pension Benefit Guaranty Corporation established pursuant to Subtitle A of Title IV of ERISA or any entity succeeding to any or all of its functions under ERISA.

"Perfection Certificate" means with respect to any Loan Party a certificate, substantially in the form of Exhibit J to this Agreement, completed and supplemented with the schedules and attachments contemplated thereby and duly executed on behalf of such Loan Party by a Responsible Officer of such Loan Party.

"Permitted Acquisition" means the purchase or other acquisition (including by merger or consolidation) by Parent or any Restricted Subsidiary of Equity Interests in, or all or substantially all the assets of (or all or substantially all the assets constituting a business unit, division, product line (including rights in respect of any drug or other pharmaceutical product) or line of business of) any Person, or any Exclusive License of rights to a drug or other product line (or the purchase or other acquisition by Parent or any Restricted Subsidiary of options to acquire Equity Interests in, or all or substantially all the assets of (or all or substantially all the assets constituting a business unit, division, product line (including rights in respect of any drug or other pharmaceutical product) or line of business of) any Person, or any Exclusive License of rights to a drug or other product line), in a single transaction or a series of related transactions if: (a) (i) in the case of any purchase or other acquisition of Equity Interests (including pursuant to the exercise of an option to acquire Equity Interests) in a Person, such Person (including each Subsidiary of such Person), upon the consummation of such purchase or acquisition, will be a Restricted Subsidiary (including as a result of a merger or consolidation between Parent or any Restricted Subsidiary and such Person, with, in the case of a merger or consolidation involving Parent, Parent being the surviving entity) or (ii) in the case of any purchase, license or other acquisition of other assets (including pursuant to the exercise of an option to acquire other assets), such assets will be owned and/or licensed by Parent or a Wholly Owned Restricted Subsidiary; (b) the business of such Person, or the business conducted with such assets, as the case may be, constitutes a business permitted by Section 7.03(b); (c) at the time of and immediately after giving effect (including pro forma effect) to any such purchase, license or other acquisition, (i) no Default shall have occurred and be continuing and (ii) if the Acquisition Consideration with respect thereto exceeds $~~100,000,000,~~200,000,000, Parent shall have delivered to the Administrative Agent a certificate of a Financial Officer, in form and substance reasonably satisfactory to the Administrative Agent, certifying that all the requirements set forth in this definition have been satisfied with respect to such purchase or other acquisition, together with reasonably detailed calculations demonstrating satisfaction of the requirements set forth in clause (d) below; (d) after giving effect (on a pro forma basis in accordance with Section 1.03(c) and, if applicable, Section 1.03(e)) to any such purchase, license or other acquisition, the Secured Leverage Ratio shall not exceed the maximum permitted Secured Leverage Ratio set forth for the current period in Section 7.10(a) (as such level may be adjusted pursuant to any Secured Leverage Holiday in the event of a Relevant Acquisition) and (e) such purchase or acquisition was not consummated pursuant to a hostile tender offer.

"Permitted Encumbrances" means:

(a) Liens imposed by law for Taxes that are not yet due or are being contested in compliance with Section 6.04 and Liens for unpaid utility charges;

(b) carriers', warehousemen's, mechanics', materialmen's, repairmen's and other like Liens imposed by Law, arising in the ordinary course of business and securing obligations that are not overdue by more than sixty (60) days or are being contested in compliance with Section 6.04;

(c) pledges and deposits made (i) in the ordinary course of business in compliance with workers' compensation, unemployment insurance and other social security laws or regulations or employment laws or to secure other public, statutory or regulatory obligations and (ii) in respect of letters of credit, bank guarantees or similar instruments issued for the account of Parent or any Subsidiary in the ordinary course of business supporting obligations of the type set forth in clause (c)(i) above;

(d) pledges and deposits (i) to secure the performance of bids, trade and commercial contracts, leases, statutory obligations, surety and appeal bonds, performance bonds and other obligations of a like nature, in each case in the ordinary course of business and (ii) in respect of letters of credit, bank guarantees or similar instruments issued for the account of Parent or any Subsidiary in the ordinary course of business supporting obligations of the type set forth in clause (d)(i) above;

(e) judgment Liens in respect of judgments that do not constitute an Event of Default under clause (k) of Article VIII or securing appeal or surety bonds related to such judgments;

(f) easements, zoning restrictions, rights-of-way and similar encumbrances on real property imposed by law or arising in the ordinary course of business that do not secure any monetary obligations and do not materially detract from the value of the affected property or interfere with the ordinary conduct of business of Parent or any Restricted Subsidiary; and

(g) banker's liens, rights of setoff or similar rights and remedies as to deposit accounts or other funds maintained with depository institutions and payment processors; provided that such deposit accounts or funds are not established or deposited for the purpose of providing collateral for any Indebtedness.

"Permitted Exchange" means an exchange of real property of Parent or any Restricted Subsidiary that qualifies as a like-kind exchange pursuant to and in compliance with Section 1031 of the Code.

"Permitted External Credit Agreement Refinancing Indebtedness" means Credit Agreement Refinancing Indebtedness incurred by the applicable Borrower in the form of one or more series of senior lien secured, junior lien secured or unsecured notes or loans (other than pursuant to a Refinancing Amendment); provided that (i) such Indebtedness is not secured by any property or assets of Parent, the applicable Borrower or any Subsidiary other than the Collateral and (ii) the security agreements, if any, relating to such Indebtedness are substantially the same as the Collateral Documents (as determined in good faith by the Lead Borrower) (with such differences as are reasonably satisfactory to the Administrative Agent).

"Permitted Foreign Loan" means a loan made by any Loan Party to any Wholly Owned Restricted Subsidiary that is not a Loan Party after the Closing Date that satisfies the following

requirements: (a) the proceeds of such loan are used, directly or indirectly, to finance an acquisition or other Investment permitted under clause (b), (q), (u) or (w) of Section 7.04; (b) to the extent such loan is in an aggregate principal amount exceeding $10,000,000, such loan is evidenced by a promissory note; and (c) if such loan is evidenced by a promissory note, such promissory note is delivered and pledged to the Administrative Agent pursuant to the applicable Collateral Documents.

"Permitted Indebtedness" means unsecured Indebtedness (including Subordinated Indebtedness) of any Loan Party and any Permitted Refinancing Indebtedness in respect of any such Indebtedness; provided that (i) both immediately prior to and after giving effect thereto, no Default or Event of Default shall exist or result therefrom, (ii) such Indebtedness matures on or after, and does not require any scheduled amortization or other scheduled payments of principal prior to, the date that is 91 days after the Latest Maturity Date (it being understood that any provision requiring an offer to purchase such Indebtedness as a result of a change of control or asset sale and any cash settled or net share settled conversion obligations shall not violate the foregoing restriction), (iii) such Indebtedness is not guaranteed by any Restricted Subsidiary of Parent other than the Subsidiary Guarantors (which guarantees, if such Indebtedness is subordinated, shall be expressly subordinated to the Finance Obligations on terms not less favorable to the Lenders than the subordination terms of such Subordinated Indebtedness) and (iv) both immediately prior to and after giving effect to the increase of such Indebtedness (on a pro forma basis in accordance with Section 1.03(c) and, if applicable, Section 1.03(e)), the Total Leverage Ratio as the end of the most recently completed Test Period shall not exceed ~~4.75~~5.00 to 1.00.

"Permitted Investments" means:

(a) direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America (or by any agency thereof to the extent such obligations are backed by the full faith and credit of the United States of America), in each case maturing within one year from the date of acquisition thereof;

(b) investments in commercial paper maturing within 270 days from the date of acquisition thereof and having, at such date of acquisition, the highest credit rating obtainable from S&P or from Moody's;

(c) certificates of deposit, time deposits and eurodollar time deposits with maturities of one year or less from the date of acquisition, demand deposits, bankers' acceptances with maturities not exceeding one year and overnight bank deposits, in each case with any domestic or foreign commercial bank having capital and surplus of not less than $500,000,000 in the case of U.S. banks and $250,000,000 (or the Dollar equivalent as of the date of determination) in the case of non-U.S. banks;

(d) fully collateralized repurchase agreements with a term of not more than thirty (30) days for securities described in clauses (a) and (c) above and entered into with a financial institution satisfying the criteria described in clause (c) above;

(e) marketable short-term money market and similar liquid funds having a rating of at least P-2 or A-2 from either Moody's or S&P, respectively (or, if at any time neither Moody's nor S&P shall be rating such obligations, an equivalent rating from another nationally recognized statistical rating agency);

(f) Investments with average maturities of 12 months or less from the date of acquisition in money market funds rated AAA- (or the equivalent thereof) or better by S&P or Aaa3 (or the equivalent thereof) or better by Moody's (or, if at any time neither Moody's nor S&P shall

be rating such obligations, an equivalent rating from another nationally recognized statistical rating agency);

(g) investment funds investing substantially all of their assets in securities of the types described in clauses (a) through (f) above;

(h) in the case of any Parent or Foreign Subsidiary, other short-term investments that are analogous to the foregoing, are of comparable credit quality and are customarily used by companies in the jurisdiction of such Parent or Foreign Subsidiary for cash management purposes; and

(i) investments permitted pursuant to Parent's investment policy as approved by the Board of Directors (or committee thereof) of the Parent from time to time.

"Permitted Liens" has the meaning assigned to such term in Section 7.02.

"Permitted Refinancing Indebtedness" means any Indebtedness issued in exchange for, or the net proceeds of which are used to extend, refinance, renew, replace, defease or refund (collectively, to "Refinance") other Indebtedness; provided that (a) the principal amount (or accreted value, if applicable) of such Permitted Refinancing Indebtedness does not exceed the principal amount (or accreted value, if applicable) of the Indebtedness so refinanced (plus unpaid accrued interest and premium (including tender premium) thereon, any committed or undrawn amounts and underwriting and original issue discounts, fees, commissions and expenses, associated with such Permitted Refinancing Indebtedness), (b) the final maturity date of such Permitted Refinancing Indebtedness is no earlier than the maturity date of the Indebtedness being Refinanced (it being understood that, in each case, any provision requiring an offer to purchase such Indebtedness as a result of a change of control or asset sale shall not violate the foregoing restriction), (c) if the Indebtedness (including any Guarantee thereof) being Refinanced is by its terms subordinated in right of payment to the Finance Obligations, such Permitted Refinancing Indebtedness (including any Guarantee thereof) shall be subordinated in right of payment to the Finance Obligations on terms at least as favorable to the Lenders as those contained in the documentation governing the Indebtedness being Refinanced, taken as a whole (as determined in good faith by the Board of Directors of Parent), (d) no Permitted Refinancing Indebtedness shall have obligors or contingent obligors that were not obligors or contingent obligors (or that would not have been required to become obligors or contingent obligors) in respect of the Indebtedness being Refinanced and (e) if the Indebtedness being Refinanced is secured, such Permitted Refinancing Indebtedness may be secured on terms no less favorable, taken as a whole, to the Loan Parties than those contained in the documentation (including any intercreditor agreement) governing the Indebtedness being Refinanced (reasonably determined in good faith by the Board of Directors of Parent).

"Permitted Reorganization" means the consummation of one or more transactions undertaken in good faith for the purpose of improving the consolidated Tax efficiency of Parent and the Restricted Subsidiaries, pursuant to which (i) certain Foreign Subsidiaries of the U.S. Borrower shall become Subsidiaries of Parent and not the U.S. Borrower, (ii) intellectual property assets held by one or more Foreign Subsidiaries of Parent shall be Disposed to one or more other Subsidiaries of Parent; provided that with respect to clause (i), no Loan Party shall become an Excluded Subsidiary as a result of such transaction and, with respect to clause (ii), any such Subsidiary of Parent to which such intellectual property assets (in each case other than Excluded Assets) are Disposed, shall be a Guarantor or shall become a Guarantor within the time periods specified under Section 6.09.

"Person" means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

"Plan" means an employee pension benefit plan which is covered by Title IV of ERISA or subject to the minimum funding standards under Section 412 of the Code maintained by or contributed to by Parent or any of its Restricted Subsidiaries or any ERISA Affiliate, including a Multiemployer Plan.

"Platform" has the meaning specified in Section 10.02(e).

"Pledged Collateral" means collectively the "Pledged Collateral" as defined in the U.S. Security Agreement and the Foreign Collateral Documents.

"Pre-Commitment Information" means, taken as an entirety, any written information in respect of Parent and its Subsidiaries provided to any Agent or Lender by or on behalf of any Borrower prior to the Closing Date.

"Principal Amortization Payment" means a scheduled principal payment on the Term Loans pursuant to Section 2.08(b) (including the remaining payment due on the Term Loan Maturity Date).

"Principal Amortization Payment Date" means (i) the last Business Day of each calendar quarter, commencing with ~~December 31, 2015~~September 30, 2018 and (ii) the Term Loan Maturity Date.

"Pro rata Share" has the meaning assigned to such term in Section 8.03(b).

"Process Agent" has the meaning set forth in Section 10.13(d).

"PTE" means a prohibited transaction class exemption issued by the U.S. Department of Labor, as any such exemption may be amended from time to time.

"Public Lender" has the meaning specified in Section 10.02(e).

"Qualified Capital Stock" means Equity Interests or Equity Equivalents of Parent that do not include a cash dividend (other than dividends that are solely payable as and when declared by the Board of Directors of Parent) and are not mandatorily redeemable by Parent or any of its Restricted Subsidiaries or redeemable at the option of the holder of such Equity Interests or Equity Equivalents, in each case prior to the 91st day following the Term Loan Maturity Date (other than redemptions solely for Qualified Capital Stock in such Person and cash in lieu of fractional shares of such Equity Interests or Equity Equivalents and redemptions upon the occurrence of an "asset sale" or a "change in control" (or similar event, however denominated) so long as any such redemption requirement becomes operative only after repayment in full (or waiver thereof) of all the Senior Credit Obligations (other than contingent indemnification obligations); provided, however, that an Equity Interest or Equity Equivalent in any Person that is issued to any employee or to any plan for the benefit of employees or by any such plan to such employees shall constitute Qualified Capital Stock notwithstanding any obligation of Parent or any Subsidiary to repurchase such Equity Interest or Equity Equivalent in order to satisfy applicable statutory or regulatory obligations or as a result of such employee's termination, death or disability).

"Qualifying Lender" has the meaning specified in Section 2.19(d)(iii).

"Refinance" has the meaning set forth in the definition of Permitted Refinancing Indebtedness. "Refinanced" and "Refinancing" shall have the corresponding meanings

"Refinanced Debt" has the meaning set forth in the definition of "Credit Agreement Refinancing Indebtedness."

"Refinancing Amendment" means an amendment to this Agreement in form and substance reasonably satisfactory to the Administrative Agent, the Lead Borrower and Parent executed by each of (a) each applicable Borrower, (b) Parent, (c) the Administrative Agent and (d) each Eligible Assignee and Lender that agrees to provide any portion of the Credit Agreement Refinancing Indebtedness being incurred pursuant thereto, in accordance with Section 2.18.

"Refunded Swing Line Loans" has the meaning specified in Section 2.01(c)(iii).

"Register" has the meaning specified in Section 10.06(c).

"Regulation T, U or X" means Regulation T, U or X, respectively, of the Board of Governors of the Federal Reserve System as amended, or any successor regulation.

"Reimbursement Obligations" means each Borrower's obligation under Section 2.05(e) to reimburse L/C Disbursements.

~~"Reinvestment Funds" means, with respect to any Net Cash Proceeds of Insurance Proceeds, any Condemnation Award or any Asset Disposition in respect of the single event or series of related events giving rise thereto, that portion of such funds as, according to a certificate of a Responsible Officer of the Lead Borrower delivered to the Administrative Agent within five Business Days after the occurrence of the Casualty, Condemnation or Asset Disposition giving rise thereto (or such later date as the Administrative Agent may agree in its reasonable discretion), are expected to be reinvested (or to which the Parent or any Restricted Subsidiary expects to enter into a binding commitment for any such reinvestment) within twelve months after the occurrence of the Casualty, Condemnation or Asset Disposition giving rise thereto (or if some or all of such Net Cash Proceeds are scheduled to be received at a later date than the date of such occurrence, within 12 months following the receipt of such Net Cash Proceeds) in long-term assets useful in the business of Parent and its Restricted Subsidiaries; provided that, if any such Net Cash Proceeds are not actually so reinvested within 18 months of such Casualty, Condemnation or Asset Disposition (or twelve months of such Casualty, Condemnation or Asset Disposition if not so committed on or prior to the last day of such twelve-month period), such unreinvested portion shall no longer constitute Reinvestment Funds and shall be applied on the last day of such period as a mandatory prepayment as provided in Section 2.09(e)(iii); provided, further, that such certificate may only be delivered (and any related Net Cash Proceeds may only be deemed Reinvestment Funds) if (x) no Event of Default shall have occurred and be continuing on the date of such certificate or (y) if Parent or one or more of its Restricted Subsidiaries shall have then entered into one or more continuing agreements with a Person not an Affiliate of any of them for the reinvestment in long-term assets useful in the business of Parent and its Restricted Subsidiaries, none of the Administrative Agent or the Collateral Agent shall have commenced any action or proceeding to exercise or seek to exercise any right or remedy with respect to any Collateral (including any action of foreclosure, enforcement, collection or execution or by and proceeding under any Insolvency or Liquidation Proceeding).~~

"Rejected Amount" has the meaning specified in Section 2.09(f).

"Rejection Deadline" has the meaning set forth in the Section 2.09(f).

"Rejection Notice" has the meaning specified in Section 2.09(f).

"Related Obligations" has the meaning specified in Section 9.12.

"Related Parties" means, with respect to any Person, such Person's Affiliates and the directors, officers, employees and agents of such Person and of such Person's Affiliates; provided that

agents of such Person and of such Person's Affiliates shall only be included in this definition of "Related Parties" to the extent they act on behalf of, or at the express instructions of, such Person or such Person's Affiliates; provided further that each reference to a Person, such Person's Affiliate, director, officer or employee in this definition pertains to a Person, such Person's Affiliate, director, officer or employee involved in the preparation, execution, delivery, administration, modification, amendment or enforcement (whether through negotiations, legal proceedings or otherwise) of, or legal advice in respect of rights and responsibilities under, this Agreement, any other Loan Document, or any document contemplated by or referred to herein.

"Release" means any spill, emission, leaking, dumping, injection, pouring, deposit, disposal, discharge, dispersal, leaching or migration into or through the Environment or within, upon, or from or into any building, structure, facility or fixture.

"Relevant Acquisition" has the meaning set forth in Section 7.10(a).

"Relevant Territory" means (i) a member state of the European Communities (other than Ireland); or (ii) to the extent not a member state of the European Communities, a jurisdiction with which Ireland has entered into a double taxation treaty that either has the force of law by virtue of section 826(1) of the TCA or which will have the force of law on completion of the procedures set out in section 826(1) of the TCA.

"Representative" has the meaning specified in Section 10.07.

"Required Lenders" means, at any date of determination, Lenders whose aggregate Credit Exposure constitutes more than 50% of the Credit Exposure of all Lenders at such time; provided, however, that (i) if any Lender shall be a Defaulting Lender at such time then there shall be excluded from the determination of Required Lenders such Lender and its Credit Exposure at such time and (ii) the amount of any participation in any Swing Line Loan and Unreimbursed Amounts that a Defaulting Lender has failed to fund that have not been reallocated to and funded by another Lender shall be deemed to be held by the Lender that is the Swing Line Lender or L/C Issuer, as the case may be, in making such determination.

"Required Revolving Lenders" means Lenders whose aggregate Revolving Credit Exposure constitutes more than 50% of the Revolving Credit Exposure of all Lenders at such time; provided, however, that (i) if any Lender shall be a Defaulting Lender at such time then there shall be excluded from the determination of Required Revolving Lenders such Lender and the aggregate principal amount of Revolving Credit Exposure of such Lender at such time and (ii) the amount of any participation in any Swing Line Loan and Unreimbursed Amounts that a Defaulting Lender has failed to fund that have not been reallocated to and funded by another Lender shall be deemed to be held by the Lender that is the Swing Line Lender or L/C Issuer, as the case may be, in making such determination.

"Required Term Lenders" means, at any date of determination, Lenders whose aggregate Term Credit Exposure constitutes more than 50% of the Term Credit Exposure of all Lenders at such time; provided, however, that if any Lender shall be a Defaulting Lender at such time then there shall be excluded from the determination of Required Term Lenders such Lender and its Term Credit Exposure at such time.

"Responsible Officer" means the chief executive officer, president, senior vice president, vice president, chief financial officer, treasurer or controller of a Loan Party or, in the case of a Foreign Guarantor, any duly appointed authorized signatory or any director or managing member of such Person that has been designated in writing by Parent as being so authorized, and solely for purposes of notices given pursuant to Article II, any other officer or employees of the applicable Loan Party so designated by any of the foregoing officers in a notice to the Administrative Agent or any other officer or employee of the

applicable Loan Party designated in or pursuant to an agreement between the applicable Loan Party and the Administrative Agent. Any document delivered hereunder that is signed by a Responsible Officer of a Loan Party shall be conclusively presumed to have been authorized by all necessary corporate, partnership and/or other action on the part of such Loan Party and such Responsible Officer shall be conclusively presumed to have acted on behalf of such Loan Party.

"Restricted Margin Stock" shall mean Margin Stock owned by the Parent or any Restricted Subsidiary of Parent the value of which (determined in accordance with clause (2)(i) of the definition of "indirectly secured" set forth in Regulation U) represents not more than 25% of the value of the assets of the Parent and its Restricted Subsidiaries (determined in accordance with clause (2)(i) of the definition of "indirectly secured" set forth in Regulation U).

"Restricted Payment" means (i) any dividend or other distribution (whether in cash, securities or other property), direct or indirect, on account of any class of Equity Interests or Equity Equivalents of Parent or any Restricted Subsidiary, now or hereafter outstanding, and (ii) any payment (whether in cash, securities or other property), including any sinking fund or similar deposit, on account of the purchase, redemption, retirement, acquisition, cancellation, termination or similar payment, purchase or other acquisition for value, direct or indirect, of any class of Equity Interests or Equity Equivalents of Parent or any Restricted Subsidiary, now or hereafter outstanding (other than purchases (i) by Parent of Equity Interests or Equity Equivalents of any Restricted Subsidiary from such Restricted Subsidiary or another Restricted Subsidiary, (ii) by any Restricted Subsidiary of Equity Interests or Equity Equivalents of any other Restricted Subsidiary from such Restricted Subsidiary, Parent or another Restricted Subsidiary, in each case to the extent such purchase constitutes an Investment permitted under Section 7.04 or (iii) by any Restricted Subsidiary of its Equity Interests or Equity Equivalents from Parent or other Restricted Subsidiary).

"Restricted Subsidiary" means any Subsidiary of Parent (including each Borrower) that is not an Unrestricted Subsidiary.

"Revolving Availability Period" means the period from and including the Closing Date to the earliest of (i) the Revolving Termination Date, (ii) the date of the termination of the Commitments pursuant to Section 2.10 and (iii) the date of termination of the commitment of each Lender to make Loans and of the obligation of the L/C Issuer to make L/C Credit Extensions pursuant to Section 8.02.

"Revolving Borrowing" means a Borrowing comprised of Revolving Loans and identified as such in the Notice of Borrowing with respect thereto.

"Revolving Commitment" means, with respect to any Lender, the commitment of such Lender, in an aggregate principal amount at any time outstanding of up to such Lender's Revolving Commitment Percentage of the Revolving Committed Amount, (i) to make Revolving Loans in accordance with the provisions of Section 2.01(a), (ii) to purchase Participation Interests in Swing Line Loans in accordance with the provisions of Section 2.01(c)(iv) and (iii) to purchase Participation Interests in Letters of Credit in accordance with the provisions of Section 2.05(d).

"Revolving Commitment Percentage" means, for each Lender, the percentage of the aggregate Revolving Commitments represented by such Lender's Revolving Commitment at such time and identified as its Revolving Commitment Percentage on Schedule 2.01 hereto, as such percentage may be (i) increased pursuant to Section 2.15 or reduced pursuant to Section 2.10 and (ii) modified in connection with any assignment made in accordance with the provisions of Section 10.06(b).

"Revolving Committed Amount" means $~~1,250,000,000~~1,600,000,000 or such lesser amount to which the Revolving Committed Amount may be reduced pursuant to Section 2.10.

"Revolving Credit Exposure" means, as applied to each Lender and with respect to each Class of its Commitments and/or Loans:

(i) at any time prior to the termination of the Commitments of the Lenders in respect of such Class, the sum, as applicable, of (A) the Revolving Commitment Percentage of such Lender multiplied by the Revolving Committed Amount plus (B) the Incremental Revolving Commitment Percentage of the relevant Class of such Lender multiplied by the total Incremental Revolving Commitments of such Class plus (C) the Other Revolving Commitment Percentage of the relevant Class of such Lender multiplied by the total Other Revolving Commitments of such Class; and

(ii) at any time after the termination of the Commitments of the Lenders in respect of such Class, the sum, as applicable, of (A) the principal balance of the outstanding Loans of such Lender of such Class plus (B) in the case of the termination of the Revolving Commitments, any Class of Incremental Revolving Commitments or any Class of Other Revolving Commitments, in each case, such Lender's Participation Interests in all L/C Obligations and Swing Line Loans issued under the relevant terminated Class.

"Revolving Lender" means each Lender identified in Schedule 2.01 as having a Revolving Commitment and each Eligible Assignee which acquires a Revolving Commitment or Revolving Loan pursuant to Section 10.06(b) and their respective permitted successors.

"Revolving Loan" means the revolving loans made by the Revolving Lenders to any Borrower pursuant to Section 2.01(a).

"Revolving Note" means a promissory note, substantially in the form of Exhibit B-1 hereto, evidencing the obligations of the applicable Borrower to repay outstanding Revolving Loans, as such note may be amended, modified, supplemented, extended, renewed or replaced from time to time.

"Revolving Outstandings" means at any date the aggregate outstanding principal amount of all Revolving Loans and Swing Line Loans plus the aggregate Outstanding Amount of all L/C Obligations.

"Revolving Termination Date" means the date which is the fifth anniversary of the Amendment No. ~~1~~2 Effective Date (or, if such day is not a Business Day, the next preceding Business Day) or such earlier date upon which the Revolving Commitments shall have been terminated in their entirety in accordance with this Agreement.

"S&P" means Standard & Poor's Ratings Group, a division of McGraw Hill, Inc., a New York corporation, and its successors or, absent any such successor, such nationally recognized statistical rating organization as the Lead Borrower and the Administrative Agent may select.

"Sale/Leaseback Transaction" means any direct or indirect arrangement with any Person or to which any such Person is a party providing for the leasing to Parent or any of its Restricted Subsidiaries of any property, whether owned by Parent or any of its Restricted Subsidiaries as of the Closing Date or later acquired, which has been or is to be sold or transferred by Parent or any of its Restricted Subsidiaries to such Person or to any other Person from whom funds have been, or are to be, advanced by such Person on the security of such property.

"Sanction(s)" means any applicable sanction administered or enforced by the United States Government (including without limitation, OFAC), the United Nations Security Council, the European Union, Her Majesty's Treasury ("HMT") or other relevant sanctions authority.

"Scheduled Unavailability Date" has the meaning specified in Section 3.03(b)(ii).

"SEC" means the Securities and Exchange Commission, or any Governmental Authority succeeding to any of its principal functions.

"Second Lien Intercreditor Agreement" means a Second Lien Intercreditor Agreement among the Administrative Agent, the Collateral Agent and one or more Senior Representatives for holders of Indebtedness secured by Liens on the Collateral that are junior to the Liens on the Collateral securing the Finance Obligations, in form and substance reasonably satisfactory to the Administrative Agent.

"Secured Cash Management Agreement" means any Cash Management Agreement that is entered into by and between any Loan Party and any Cash Management Bank.

"Secured Leverage Holiday" has the meaning specified in Section 7.10(a).

"Secured Leverage Ratio" means, as of any date of determination, the ratio of (a)(i) Consolidated Secured Debt as of such date less (ii) the aggregate amount of Unrestricted Cash (not to exceed $250,000,000) at such time, which aggregate amount of Unrestricted Cash shall be determined without giving pro forma effect to the proceeds of Indebtedness incurred on such date to (b) Consolidated EBITDA for the most recently ended Test Period.

"Senior Credit Obligations" means, with respect to each Loan Party, without duplication:

(i) in the case of each Borrower, all principal of and interest (including, without limitation, any interest which accrues after the commencement of any proceeding under any Insolvency or Liquidation Proceeding with respect to such Borrower, whether or not allowed or allowable as a claim in any such proceeding) on any Loan or L/C Obligation under, or any Note issued pursuant to, this Agreement or any other Loan Document;

(ii) all fees, expenses, indemnification obligations and other amounts of whatever nature now or hereafter payable by such Loan Party (including, without limitation, any amounts which accrue after the commencement of any proceeding under any Insolvency or Liquidation Proceeding with respect to such Loan Party, whether or not allowed or allowable as a claim in any such proceeding) pursuant to this Agreement or any other Loan Document;

(iii) all expenses of the Agents as to which one or more of the Agents have a right to reimbursement by such Loan Party under Section 10.04(a) of this Agreement or under any other similar provision of any other Loan Document, including, without limitation, any and all sums advanced by the Collateral Agent to preserve the Collateral or preserve its security interests in the Collateral to the extent permitted under any Loan Document or applicable Law;

(iv) all amounts paid by any Indemnitee as to which such Indemnitee has the right to reimbursement by such Loan Party under Section 10.04(b) of this Agreement or under any other similar provision of any other Loan Document; and

(v) in the case of each Borrower and each Guarantor, all amounts now or hereafter payable by such Borrower or such Guarantor and all other obligations or liabilities now existing or

hereafter arising or incurred (including, without limitation, any amounts which accrue after the commencement of any proceeding under any Insolvency or Liquidation Proceeding with respect to such Borrower or such Guarantor, whether or not allowed or allowable as a claim in any such proceeding) on the part of such Guarantor pursuant to this Agreement, the Guaranty Agreement or any other Loan Document;

together in each case with all renewals, modifications, consolidations or extensions thereof.

"Senior Credit Party" means each Lender, each L/C Issuer, the Administrative Agent, the Collateral Agent and each Indemnitee and their respective successors and assigns, and "Senior Credit Parties" means any two or more of them, collectively.

"Senior Representative" means, with respect to any series of Indebtedness, the trustee, administrative agent, collateral agent, security agent or similar agent under the indenture or agreement pursuant to which such Indebtedness is issued, incurred or otherwise obtained, as the case may be, and each of their successors in such capacities.

"Solicitation of Discount Range Prepayment Offers" means the solicitation by Parent or any of its Subsidiaries of offers for, and the corresponding acceptance by a Term Lender of, a voluntary prepayment of Term Loans at a specified range at a discount to par pursuant to Section 2.19(c).

"Solicitation of Discounted Prepayment Offers" means the solicitation by Parent or any of its Subsidiaries of offers for, and the corresponding acceptance, if any, by a Term Lender of, a voluntary prepayment of Term Loans at a discount to par pursuant to Section 2.19(d).

"Solicited Discount Proration" has the meaning specified in Section 2.19(d)(iii).

"Solicited Discounted Prepayment Amount" has the meaning specified in Section 2.19(d)(i).

"Solicited Discounted Prepayment Notice" means an irrevocable written notice of a Solicitation of Discounted Prepayment Offers made pursuant to Section 2.19(d)(i) substantially in the form of Exhibit P hereto.

"Solicited Discounted Prepayment Offer" means an irrevocable written offer by each Term Lender, substantially in the form of Exhibit Q hereto, submitted following the Auction Agent's receipt of a Solicited Discounted Prepayment Notice.

"Solicited Discounted Prepayment Response Date" has the meaning specified in Section 2.19(d)(i).

"Solvent" means, with respect to Parent and its Subsidiaries (on a consolidated basis) as of a particular date, that on such date (i) the fair value of the assets of Parent and its Subsidiaries, on a consolidated basis, exceeds, on a consolidated basis, their debts and liabilities, subordinated, contingent or otherwise, (ii) the present fair saleable value of the property of Parent and its Subsidiaries, on a consolidated basis, is greater than the amount that will be required to pay the probable liability, on a consolidated basis, of their debts and other liabilities, subordinated, contingent or otherwise, as such debts and other liabilities become absolute and matured; (iii) Parent and its Subsidiaries, on a consolidated basis, will be able to pay their debts and liabilities, subordinated, contingent or otherwise, as such liabilities become absolute and matured; and (iv) Parent and its Subsidiaries, on a consolidated basis, are not engaged in, and are not about to engage in, business for which they have unreasonably small capital.

"Specified Discount Prepayment Amount" has the meaning specified in Section 2.19(b)(i).

"Specified Discount Prepayment Notice" means an irrevocable written notice of Parent or any of its Subsidiaries of an Offer of Specified Discount Prepayment made pursuant to Section 2.19(b)(i) substantially in the form of Exhibit L hereto.

"Specified Discount Prepayment Response" means the irrevocable written response by each Term Lender, substantially in the form of Exhibit M hereto, to a Specified Discount Prepayment Notice.

"Specified Discount Prepayment Response Date" has the meaning specified in Section 2.19(b)(i).

"Specified Discount Proration" has the meaning specified in Section 2.19(b)(iii).

"Specified Material Indebtedness" means Material Indebtedness of any Person that is permitted by Section 7.01(p) that has become due and payable as a result of such Person becoming a Restricted Subsidiary after the Closing Date or such acquisition of assets in connection with a Permitted Acquisition by Parent or any Restricted Subsidiary.

"Specified Subordinated Indebtedness" means Subordinated Indebtedness (i) the principal of which by its terms is not required to be repaid, in whole or in part, before six months after the Term Loan Maturity Date and (ii) which is subordinated in right of payment to the Finance Obligations pursuant to payment and subordination provisions reasonably satisfactory in form and substance to the Administrative Agent.

"SSM Regulation" means Council Regulation (EU) No 1024/2013 of 15 October 2013 conferring specific tasks on the European Central Bank concerning policies relating to the prudential supervision of credit institutions.

"Stanford Lease" means that certain Commercial Lease, dated as of January 7, 2015, by and between The Board of Trustees of the Leland Stanford Junior University and the U.S. Borrower.

"Submitted Amount" has the meaning specified in Section 2.19(c)(i).

"Submitted Discount" has the meaning specified in Section 2.19(c)(i).

"Subordinated Indebtedness" means Indebtedness of the Parent or any Restricted Subsidiary, the payment of which is contractually subordinated in right of payment to the Finance Obligations.

"Subsidiary" means, with respect to any Person, any corporation, partnership, limited liability company, association or other business entity of which (i) if a corporation, more than 50% of the total voting power of stock entitled (other than stock or such other ownership interest having such power only by reason of the happening of a contingency) to vote in the election of directors, managers or trustees thereof is at the time owned or controlled, directly or indirectly, by that Person or one or more of the other Subsidiaries of that Person or a combination thereof, or (ii) if a partnership, limited liability company, association or business entity other than a corporation, more than 50% of the partnership or other similar ownership interests thereof (other than stock or such other ownership interest having such power only by reason of the happening of a contingency) is at the time owned or controlled, directly or indirectly, by that

Person or one or more Subsidiaries of that Person or a combination thereof. Unless otherwise specified, all references herein to a "Subsidiary" or to "Subsidiaries" shall refer to a Subsidiary or Subsidiaries of Parent.

"Subsidiary Guarantor" means each Restricted Subsidiary that is party to the Guaranty Agreement (including each Borrower with respect to Guaranteed Obligations of each other Borrower) or any other guaranty agreement pursuant to which it Guarantees the Finance Obligations.

"Swap Agreement" means (i) any and all rate swap transactions, basis swaps, credit derivative transactions, forward rate transactions, commodity swaps, commodity options, forward commodity contracts, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward bond or forward bond price or forward bond index transactions, interest rate options, forward foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions, currency options, spot contracts or any other similar transactions or any combination of any of the foregoing (including any options to enter into any of the foregoing), whether or not any such transaction is governed by or subject to any master agreement and (ii) any and all transactions of any kind, and the related confirmations, which are subject to the terms and conditions of, or governed by, any form of master agreement published by the International Swaps and Derivatives Association, Inc., any International Foreign Exchange Master Agreement or any other master agreement (any such master agreement, together with any related schedules, a "Master Agreement"), including any such obligations or liabilities under any Master Agreement.

"Swap Creditor" means any Agent, Lender or any Affiliate of any Lender or Agent from time to time party to one or more Swap Agreements (even if entered into prior to the Closing Date) with a Loan Party and any party to a Swap Agreement with a Loan Party that was an Agent, a Lender or an Affiliate of any Agent or Lender at the time it entered into such agreement (even if any such Lender for any reason ceases after the execution of such agreement to be a Lender hereunder), and its successors and assigns, and "Swap Creditors" means any two or more of them, collectively.

"Swap Obligations" of any Person means all obligations (including, without limitation, any amounts which accrue after the commencement of any bankruptcy or insolvency proceeding with respect to such Person, whether or not allowed or allowable as a claim under any proceeding under any Insolvency or Liquidation Proceeding) of such Person in respect of any Swap Agreement, excluding any amounts which such Person is entitled to set-off against its obligations under applicable Law; provided that "Swap Obligations" with respect to any Guarantor, at any time, shall exclude all Excluded Swap Obligations with respect to such Guarantor at such time.

"Swing Line Borrowing" means a Borrowing comprised of Swing Line Loans and identified as such in the Notice of Borrowing with respect thereto.

"Swing Line Commitment" means the agreement of the Swing Line Lender to make Loans pursuant to Section 2.01(c). The Swing Line Commitment is a part of, and not in addition to, the Revolving Committed Amount.

"Swing Line Committed Amount" means $25,000,000 as such Swing Line Committed Amount may be reduced pursuant to Section 2.10.

"Swing Line Lender" means Bank of America (through itself or one of its designated Affiliates or branch offices), in its capacity as the Swing Line Lender under Section 2.01(c), and its permitted successor or successors in such capacity.

"Swing Line Loan" has the meaning specified in Section 2.01(c).

"Swing Line Loan Request" has the meaning specified in Section 2.02(b).

"Swing Line Note" means a promissory note, substantially in the form of Exhibit B-3, hereto, evidencing the obligation of the applicable Borrower to repay outstanding Swing Line Loans, as such note may be amended, modified, supplemented, extended, renewed or replaced from time to time.

"Swing Line Termination Date" means the earlier of (i) the fifth anniversary of the ~~Closing~~Amendment No. 2 Effective Date (or, if such day is not a Business Day, the next preceding Business Day) or such earlier date upon which the Revolving Commitments shall have been terminated in their entirety in accordance with this Agreement and (ii) the date on which the Swing Line Commitment is terminated in its entirety in accordance with this Agreement.

"Synthetic Lease" means, as to any Person, any lease (including leases that may be terminated by the lessee at any time) of real or personal property, or a combination thereof, (a) that is accounted for as an operating lease under GAAP and (b) in respect of which the lessee is deemed to own the property so leased for U.S. federal income tax purposes, other than any such lease under which such Person is the lessor.

"Synthetic Lease Obligations" means, as to any Person, an amount equal to the capitalized amount of the remaining lease payments under any Synthetic Lease (determined, in the case of a Synthetic Lease providing for an option to purchase the leased property, as if such purchase were required at the end of the term thereof) that would appear on a balance sheet of such Person prepared in accordance with GAAP if such payment obligations were accounted for as Capital Lease Obligations. For purposes of Section 7.02, a Synthetic Lease Obligation shall be deemed to be secured by a Lien on the property being leased and such property shall be deemed to be owned by the lessee.

"Tax Deduction" means a deduction or withholding for or on account of any Tax from a payment under a Loan Document.

"Taxes" means all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority, and any and all liabilities (including any interest, fines, additions to tax or penalties) applicable thereto.

"TCA" means the Taxes Consolidation Act 1997 of Ireland.

"Term Borrowing" means a Borrowing comprised of Term Loans and identified as such in the Notice of Borrowing with respect thereto.

"Term Commitment" means with respect to any Lender, the commitment of such Lender to make a Term Loan on the ~~Closing~~Amendment No. 2 Effective Date in a principal amount equal to such Lender's Term Commitment Percentage of the Term Committed Amount.

"Term Commitment Percentage" means, for each Lender, the percentage of the aggregate Term Commitments represented by such Lender's Term Commitment at such time and identified as its Term Commitment Percentage on Schedule 2.01, as such percentage may be (a) increased pursuant to Section 2.15 or reduced pursuant to Section 2.10 and (b) modified in connection with any Assignment and Assumption made in accordance with the provisions of Section 10.06(b).

"Term Committed Amount" means $~~750,000,000~~667,734,375.

"Term Credit Exposure" means, as applied to each Lender and with respect to each Class of its Commitments and/or Loans:

(i) at any time prior to the termination of the Commitments of the Lenders in respect of such Class, the sum, as applicable, of (A) the Term Commitment Percentage of such Lender multiplied by the Term Committed Amount of such Class plus (B) the Other Term Commitment Percentage of the relevant Class of such Lender multiplied by the total Other Term Commitments of such Class plus (C) the Incremental Term Loan Commitment Percentage of the relevant Class of such Lender multiplied by the total Incremental Term Loan Commitments of such Class; and

(ii) at any time after the termination of the Commitments of the Lenders in respect of such Class, the sum, as applicable, of the principal balance of the outstanding Loans of such Lender of such Class.

"Term Lender" means each Lender identified on Schedule 2.01 as having a Term Commitment and each Eligible Assignee which acquires a Term Loan pursuant to Section 10.06(b) and their respective permitted successors.

"Term Loan Maturity Date" means the fifth anniversary of the Amendment No. ~~1~~2 Effective Date (or if such day is not a Business Day, the next preceding Business Day).

"Term Loans" means the term loans made by the Term Lenders to the Lead Borrower pursuant to Section 2.01(b).

"Term Note" means a promissory note, substantially in the form of Exhibit B-2 hereto, evidencing the obligation of the Lead Borrower to repay outstanding Term Loans, as such note may be amended, modified or supplemented from time to time.

"Test Period" means, at any date of determination, the period of four consecutive fiscal quarters of Parent then last ended for which financial statements have been delivered or were required to have been delivered pursuant to Section 6.01(a) or 6.01(b) or, prior to the first such requirement, the four quarter period ended March 31, 2015.

"Total Leverage Ratio" means, as of any date of determination, the ratio of (a)(i) Consolidated Total Indebtedness as of such date less (ii) the aggregate amount of Unrestricted Cash (not to exceed $250,000,000) at such time, which aggregate amount of Unrestricted Cash shall be determined without giving pro forma effect to the proceeds of Indebtedness incurred on such date to (b) Consolidated EBITDA for the most recently ended Test Period.

"Transactions" means the events contemplated by the Loan Documents and the Closing Date Refinancing.

"Treaty Lender" means a Lender Party (other than a Lender falling within paragraph (d), (e), (f) or (g) of the definition of Irish Qualifying Lender) which is on the date any relevant payment is made entitled under a double taxation agreement (a "Treaty") in force on that date (subject to the completion of any procedural formalities other than any procedural formalities which relate specifically to the business or nature of the Person making the payment) to that payment without any Tax Deduction.

"Type" has the meaning specified in Section 1.07.

"UCC" means the Uniform Commercial Code of the State of New York or of any other state the Laws of which are required to be applied in connection with the perfection or priority of security interests in any collateral.

"UCP" means, with respect to any Letter of Credit, the Uniform Customs and Practice for Documentary Credits, International Chamber of Commerce ("ICC") Publication No. 600 (or such later version thereof as may be in effect at the time of issuance).

"Unfunded Liabilities" means, except as otherwise provided in Section 5.11(a)(i)(B), (i) with respect to each Plan, the amount (if any) by which the present value of all nonforfeitable benefits under each Plan exceeds the current value of such Plan's assets allocable to such benefits, all determined in accordance with the respective most recent valuations for such Plan using applicable PBGC plan termination actuarial assumptions (the terms "present value" and "current value" shall have the same meanings specified in Section 3 of ERISA) and (ii) with respect to each Foreign Pension Plan, the amount (if any) by which the present value of all nonforfeitable benefits under each Foreign Pension Plan exceeds the current value of such Foreign Pension Plan's assets allocable to such benefits, all determined in accordance with the respective most recent valuations for such Plan using the most recent actuarial assumptions and methods being used by the Foreign Pension Plan's actuaries for financial reporting under applicable accounting and reporting standards.

"United States" means the United States of America, including each of the States and the District of Columbia, but excluding its territories and possessions.

"United States Person" means a "United States person" as defined in Section 7701(a)(30) of the Code.

"Unreimbursed Amount" has the meaning specified in Section 2.05(e)(iv).

"Unrestricted Cash" means cash or Permitted Investments of Parent or any of its Restricted Subsidiaries that would not appear as "restricted" on a consolidated balance sheet of Parent or any of its Restricted Subsidiaries.

"Unrestricted Margin Stock" shall mean any Margin Stock owned by Parent or any Restricted Subsidiary that is not Restricted Margin Stock.

"Unrestricted Subsidiary" means (i) OML and (ii) any Subsidiary designated by Parent as an Unrestricted Subsidiary pursuant to Section 6.10 subsequent to the Closing Date.

"Unused Revolving Committed Amount" means, for any period, the amount by which (i) the then applicable Revolving Committed Amount exceeds (ii) the daily average sum for such period of (A) the aggregate principal amount of all outstanding Revolving Loans plus (B) the aggregate amount of all outstanding L/C Obligations. For the avoidance of doubt, no deduction shall be made on account of outstanding Swing Line Loans in calculating the Unused Revolving Committed Amount.

"Upfront Payments" means any upfront or similar payments made during the period of twelve months ending on the Closing Date or arising thereafter in connection with any drug or pharmaceutical product research and development or collaboration arrangements or the closing of any Drug Acquisition.

"USAO Settlement Obligations" means obligations of OML and the U.S. Borrower arising under the OML Settlement Agreements.

"U.S. Borrower" has the meaning specified in the preamble.

"U.S. Security Agreement" means the Security Agreement, substantially in the form of Exhibit G hereto, dated as of the Closing Date among the U.S. Borrower, the Domestic Guarantors, the Foreign Guarantors party thereto and the Collateral Agent, as the same may be amended, modified or supplemented from time to time.

"VAT" means:

(a) value added tax as provided for in the Value-Added Tax Consolidation Act 2010 of Ireland;

(b) any tax imposed in compliance with the Council Directive of 28 November 2006 on the common system of value added tax (EC Directive 2006/112); and

(c) any other tax of a similar nature, whether imposed in a member state of the European Union in substitution for, or levied in addition to, such tax referred to in paragraphs (a) and (b) above, or imposed elsewhere.

"Weighted Average Life to Maturity" means, when applied to any Indebtedness at any date, the number of years obtained by dividing: (i) the sum of the products obtained by multiplying (A) the amount of each then remaining installment, sinking fund, serial maturity or other required payments of principal, including payment at final maturity, in respect thereof, by (B) the number of years (calculated to the nearest one-twelfth) that will elapse between such date and the making of such payment; by (ii) the then outstanding principal amount of such Indebtedness.

"Welfare Plan" means a "welfare plan" as such term is defined in Section 3(1) of ERISA.

"WIPO" means the International Bureau of the World Intellectual Property Organization.

"Wholly Owned" means, with respect to any Subsidiary of any Person at any date, that all of the shares of capital stock or other ownership interests of such Subsidiary (except Nominal Shares) are at the time directly or indirectly owned by such Person.

"Write-Down and Conversion Powers" means, with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule.

Section 1.02 Other Interpretative Provisions. With reference to this Agreement and each other Loan Document, unless otherwise specified herein or in such other Loan Document:

(a) The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include," "includes" and "including" shall be deemed to be followed by the phrase "without limitation." The word "will" shall be construed to have the same meaning and effect as the word "shall." Unless the context requires otherwise, (i) any definition of or reference to any agreement, instrument or other document (including any Organization Document) shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications

set forth herein or in any other Loan Document), (ii) any reference herein to any Person shall be construed to include such Person's successors and assigns, (iii) the words "herein," "hereof" and "hereunder" and words of similar import when used in any Loan Document shall be construed to refer to such Loan Document in its entirety and not to any particular provision thereof, (iv) all references in a Loan Document to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, the Loan Document in which such references appear, (v) any reference to any Law shall include all statutory and regulatory provisions consolidating, amending, replacing or interpreting such Law and any reference to any law or regulation shall, unless otherwise specified, refer to such Law or regulation as amended, modified or supplemented from time to time and (vi) the words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights.

(b) In the computation of periods of time from a specified date to a later specified date, the word "from" means "from and including," the words "to" and "until" each mean "to but excluding" and the word "through" means "to and including."

(c) Section headings herein and in the other Loan Documents are included for convenience of reference only and shall not affect the interpretation of this Agreement or any other Loan Document.

Section 1.03 Accounting Terms and Determinations.

(a) *Generally*. All accounting terms not specifically or completely defined herein shall be construed in conformity with, and all financial data (including financial ratios and other financial calculations) required to be submitted pursuant to this Agreement shall be prepared in conformity with, GAAP applied on a consistent basis, as in effect from time to time, except as otherwise specifically prescribed herein or as disclosed to the Administrative Agent.

(b) *Changes in GAAP*. If at any time any change in GAAP would affect the computation of any financial ratio or requirement set forth in any Loan Document, and either (x) the Lead Borrower or (y) within 30 days after delivery of any financial statements reflecting any change in GAAP (or after the Lenders have been informed of the change in GAAP affecting such financial statements, if later), the Administrative Agent or the Required Lenders shall so request, the Administrative Agent, the Lenders and Parent shall negotiate in good faith to amend such ratio or requirement to preserve the original intent thereof in light of such change in GAAP (subject to the approval of the Required Lenders); provided that, until so amended, (i) such ratio or requirement shall continue to be computed in accordance with GAAP prior to such change therein and (ii) the Lead Borrower shall provide to the Administrative Agent and the Lenders financial statements and any other documents required under this Agreement or as reasonably requested hereunder setting forth a reconciliation between calculations of such ratio or requirement made before and after giving effect to such change in GAAP.

(c) *Pro forma Calculations*. All pro forma computations required to be made hereunder giving effect to any Material Acquisition, Material Disposition, Permitted Acquisition, designation of any Subsidiary as an Unrestricted Subsidiary, or issuance, incurrence or assumption of Indebtedness shall be calculated after giving effect to such acquisition, disposition, designation or issuance, incurrence or assumption of Indebtedness (and to any other such transaction consummated since the first day of the period for which such pro forma computation is being made and on or prior to the date of such computation) as if such transaction (and any other such transactions) had occurred on the first day of the applicable Test Period, and, to the extent applicable, the historical earnings and cash flows associated with

the assets acquired or disposed of, any related incurrence or reduction of Indebtedness. If any Indebtedness bears a floating rate of interest and is being given pro forma effect, the interest on such Indebtedness shall be calculated as if the rate in effect on the date of determination had been the applicable rate for the entire period (taking into account any Swap Agreement applicable to such Indebtedness). Solely for the purpose of making any determination required hereunder regarding compliance with Section 7.10 on a pro forma basis for any Test Period ended before September 30, 2015, the maximum Secured Leverage Ratio requirement for such purpose shall be deemed to be 3.00:1.00 (subject to the Secured Leverage Holiday, if applicable) and the minimum Interest Coverage Ratio requirement for such purpose shall be deemed to be 3.50:1.00.

(d) *Limited Condition Acquisitions*. In connection with any action being taken in connection with a Limited Condition Acquisition, for purposes of determining compliance with any provision of this Agreement which requires that no Default or Event of Default, as applicable, has occurred, is continuing or would result from any such action, as applicable, such condition shall, at the option of the Lead Borrower, be deemed satisfied, so long as no such Default or Event of Default, as applicable, exists on the date the definitive agreements for such Limited Condition Acquisition are entered into. For the avoidance of doubt, if the Lead Borrower has exercised its option under the first sentence of this clause (d), and any Default or Event of Default occurs following the date the definitive agreements for the applicable Limited Condition Acquisition were entered into and prior to the consummation of such Limited Condition Acquisition, any such Default or Event of Default shall be deemed to not have occurred or be continuing for purposes of determining whether any action being taken in connection with such Limited Condition Acquisition is permitted hereunder.

(e) In connection with any Limited Condition Acquisition and any incurrence of any Indebtedness ~~or~~, Liens or obligations to make any Investment in connection with a Limited Condition Acquisition, for purposes of:

(i) determining compliance with any provision of this Agreement which requires the calculation of the Interest Coverage Ratio, the Secured Leverage Ratio or the Total Leverage Ratio; or

(ii) testing baskets set forth in this Agreement (including baskets measured as a percentage of Consolidated Total Assets);

in each case, at the option of the Lead Borrower (the Lead Borrower's election to exercise such option in connection with any Limited Condition Acquisition, an "LCA Election"), the date of determination of whether any such action is permitted hereunder, shall be deemed to be the date the definitive agreements for such Limited Condition Acquisition are entered into (the "LCA Test Date"), and if, after giving pro forma effect to the Limited Condition Acquisition and the other transactions to be entered into in connection therewith (including any incurrence of Indebtedness and the use of proceeds thereof) as if they had occurred at the beginning of the most recently completed Test Period ending prior to the LCA Test Date, Parent could have taken such action on the relevant LCA Test Date in compliance with such ratio or basket, such ratio or basket shall be deemed to have been complied with. For the avoidance of doubt, if the Lead Borrower has made an LCA Election and any of the ratios or baskets for which compliance was determined or tested as of the LCA Test Date are exceeded as a result of fluctuations in any such ratio or basket, including due to fluctuations in Consolidated EBITDA or Consolidated Total Assets of Parent or the Person subject to such Limited Condition Acquisition, at or prior to the consummation of the relevant transaction or action, such baskets or ratios will not be deemed to have been exceeded as a result of such fluctuations. If the Lead Borrower has made an LCA Election for any Limited Condition

Acquisition, then in connection with any subsequent calculation of any ratio or basket hereunder on or following the relevant LCA Test Date and until after the earlier of the consummation of such Limited Condition Acquisition or termination or expiration of the definitive agreement for such Limited Condition Acquisition without consummation of such Limited Condition Acquisition, any such ratio or basket shall be calculated on a pro forma basis assuming such Limited Condition Acquisition and other transactions in connection therewith (including any incurrence of Indebtedness and the use of proceeds thereof) have been consummated, except to the extent such calculation would result in a lower Total Leverage Ratio or Secured Leverage Ratio than would apply if such calculation was made without giving pro forma effect to such Limited Condition Acquisition.

(f) Notwithstanding any other provision contained herein, all terms of an accounting or financial nature used herein shall be construed, and all computations of amounts and ratios referred to herein shall be made, (i) without giving effect to any election under Accounting Standards Codification 825-10-25 (previously referred to as Statement of Financial Accounting Standards 159), or any successor thereto (including pursuant to the Accounting Standards Codification), to value any Indebtedness or other liabilities of Parent or any of its Subsidiary at "fair value", as defined therein and (ii) without giving effect to any change to GAAP occurring after the Closing Date as a result of the adoption of any proposals set forth in the Proposed Accounting Standards Update, Leases (Topic 840), issued by the Financial Accounting Standards Board on August 17, 2010, or any other proposals issued by the Financial Accounting Standards Board in connection therewith, in each case if such change would require treating any lease (or similar arrangement conveying the right to use) as a capital lease where such lease (or similar arrangement) was not required to be so treated under GAAP as in effect on Closing Date.

Section 1.04 Rounding. Any financial ratios required to be maintained by Parent or any of its Restricted Subsidiaries pursuant to this Agreement shall be calculated by dividing the appropriate component by the other component, carrying the result to one place more than the number of places by which such ratio is expressed herein and rounding the result up or down to the nearest number (with a rounding-up if there is no nearest number).

Section 1.05 Times of Day; Rates. Unless otherwise specified, all references herein to times of day shall be references to Eastern time (daylight or standard, as applicable).

The Administrative Agent does not warrant, nor accept responsibility, nor shall the Administrative Agent have any liability with respect to the administration, submission or any other matter related to the rates in the definition of "Eurodollar Rate" or with respect to any comparable or successor rate thereto.

Section 1.06 Letter of Credit Amounts. Unless otherwise specified herein, the amount of a Letter of Credit at any time shall be deemed to be the stated amount of such Letter of Credit in effect at such time; provided, however, that with respect to any Letter of Credit that, by its terms or the terms of any L/C Document related thereto, provides for one or more automatic increases in the stated amount thereof, the amount of such Letter of Credit shall be deemed to be the maximum stated amount of such Letter of Credit after giving effect to all such increases, whether or not such maximum stated amount is in effect at such time.

Section 1.07 Classes and Types of Borrowings. The term "Borrowing" denotes the aggregation of Loans of one or more Lenders made to any Borrower pursuant to Article II on the same date, all of which Loans are of the same Class and Type (subject to Article III) and, except in the case of Base Rate Loans, have the same initial Interest Period. Loans hereunder are distinguished by "Class" and

"Type." The "Class" of a Loan (or of a Commitment to make such a Loan or of a Borrowing comprised of such Loans) refers to whether such Loan is a Revolving Loan, a Term Loan, an Incremental Revolving Loan, an Incremental Term Loan, an Other Revolving Loan or an Other Term Loan. The "Type" of a Loan refers to whether such Loan is a Eurodollar Loan or a Base Rate Loan. Identification of a Loan (or a Borrowing) by both Class and Type (e.g., a "Term Eurodollar Loan") indicates that such Loan is a Loan of both such Class and such Type (e.g., both a Term Loan and a Eurodollar Loan) or that such Borrowing is comprised of such Loans.

Section 1.08 Currency Translation. For purposes of any determination under Article VI, Article VII (other than Section 7.10) or Article VIII or any determination under any other provision of this Agreement expressly requiring the use of a current exchange rate, all amounts incurred, outstanding or proposed to be incurred or outstanding in currencies other than Dollars shall be translated into Dollars at currency exchange rates in effect on the date of such determination; provided, however, that for purposes of determining compliance with Article VII with respect to the amount of any Indebtedness, Asset Disposition, Investment or Restricted Payment in a currency other than Dollars, no Default or Event of Default shall be deemed to have occurred solely as a result of changes in rates of exchange occurring after the time such Indebtedness is incurred or Asset Disposition, Investment or Restricted Payment is made; provided that, for the avoidance of doubt, the foregoing provisions of this Section 1.08 shall otherwise apply to such Sections, including with respect to determining whether any Indebtedness may be incurred or Asset Disposition, Investment or Restricted Payment made at any time under such Sections. For purposes of Section 7.10, amounts in currencies other than Dollars shall be translated into Dollars at the currency exchange rates used in preparing the most recently delivered financial statements pursuant to Section 6.01(a) or (b).

Section 1.09 Baskets. To the extent that the size of any basket or carve-out set forth in Article VII is determined by reference to a percentage of Consolidated EBITDA, no Default or Event of Default shall be deemed to occur with respect to any transaction consummated or incurred pursuant to such basket or carve-out as a result of any decrease in the amount of Consolidated EBITDA subsequent to such consummation or incurrence which results in such basket or carve-out no longer being sufficient to permit such transaction or incurrence.

Section 1.10 Concerning Liability of Borrowers.

(a) Each of the U.S. Borrower, Jazz Financing I and Jazz Ireland irrevocably appoints the Lead Borrower as its agent for purposes of the giving and receipt of notices and the execution and delivery of all certificates contemplated herein. Any acknowledgment, consent, direction, certification or other action which might otherwise be valid or effective only if given or taken by all Borrowers, or by each Borrower acting singly, shall be valid and effective if given or taken only by the Lead Borrower, whether or not any such other Borrower joins therein. Any notice, demand, consent, acknowledgement, direction, certification or other communication delivered to the Lead Borrower in accordance with the terms of this Agreement shall be deemed to have been delivered to each Borrower.

(b) The Lead Borrower may from time to time, upon not less than 15 Business Days' notice from the Lead Borrower to the Administrative Agent (or such shorter period as may be agreed by the Administrative Agent in its sole discretion), terminate a Borrower's status as such (other than with respect to itself), provided that there are no outstanding Loans payable by such Borrower, or other amounts payable by such Borrower on account of any Loans made to it, as of the effective date of such termination. The Administrative Agent will promptly notify the Lenders of any such termination of a Borrower's status.

ARTICLE II.

THE CREDIT FACILITIES

Section 2.01 Commitments To Lend.

(a) *Revolving Loans*. Subject to the terms and conditions set forth herein, each Revolving Lender severally agrees to make Revolving Loans to any Borrower in Dollars pursuant to this Section 2.01(a) from time to time during the Revolving Availability Period in amounts such that its Revolving Outstandings shall not exceed (after giving effect to all Revolving Loans repaid, all reimbursements of L/C Disbursements made, and all Refunded Swing Line Loans paid concurrently with the making of any Revolving Loans) its Revolving Commitment; provided that, immediately after giving effect to each such Revolving Loan, (i) the aggregate Revolving Outstandings shall not exceed the Revolving Committed Amount and (ii) with respect to each Revolving Lender individually, such Lender's outstanding Revolving Loans plus its (other than the Swing Line Lender's in its capacity as such) Participation Interests in outstanding Swing Line Loans plus its Participation Interests in outstanding L/C Obligations shall not exceed such Lender's Revolving Commitment Percentage of the Revolving Committed Amount~~; provided, further, that no more than $1,000,000,000 of Revolving Loans may be drawn on the Amendment No. 1 Effective Date~~. Each Revolving Borrowing comprised of Eurodollar Loans shall be in an aggregate principal amount of $5,000,000 or any larger multiple of $100,000, and each Revolving Borrowing comprised of Base Rate Loans shall be in an aggregate principal amount of $1,000,000 or any larger multiple of $100,000 (except that any such Borrowing may be in the aggregate amount of the unused Revolving Commitments and any L/C Borrowing may be in the aggregate amount of any outstanding Unreimbursed Amounts owed to one or more L/C Issuers as provided in Section 2.05(e)(iv)) and shall be made from the several Revolving Lenders ratably in proportion to their respective Revolving Commitments. Within the foregoing limits, each Borrower may borrow under this Section 2.01(a), repay, or, to the extent permitted by Section 2.09, prepay, Revolving Loans and reborrow under this Section 2.01(a).

(b) *Term Loans*. Subject to the terms and conditions set forth herein, each Term Lender severally agrees to make a Term Loan to the Lead Borrower in Dollars on the ~~Closing~~Amendment No. 2 Effective Date in a principal amount not exceeding its Term Commitment. The Term Borrowing shall be made from the several Term Lenders ratably in proportion to their respective Term Commitments. The Term Commitments are not revolving in nature, and amounts repaid or prepaid prior to the Term Loan Maturity Date may not be reborrowed. Any Term Commitments not funded on the ~~Closing~~Amendment No. 2 Effective Date will be terminated.

(c) *Swing Line Loans*.

(i) Subject to the terms and conditions set forth herein, the Swing Line Lender agrees in its sole discretion, in reliance upon the agreements of the other Revolving Lenders set forth in this subsection (c), to make a portion of the Revolving Commitments available to any Borrower from time to time during the Revolving Availability Period by making Swing Line Loans to such Borrower in Dollars (each such loan, a "Swing Line Loan" and, collectively, the "Swing Line Loans"); provided that (A) the aggregate principal amount of the Swing Line Loans outstanding at any one time shall not exceed the Swing Line Committed Amount, (B) each Swing Line Borrowing shall be in an aggregate principal amount of $100,000 or any larger multiple of $100,000, (C) with regard to each Lender individually (other than the Swing Line Lender in its capacity as such), such Lender's outstanding Revolving Loans plus its Participation Interests in outstanding Swing Line Loans plus its Participation Interests in outstanding L/C Obligations shall not at any time exceed such Lender's Revolving Commitment Percentage of the

Revolving Committed Amount, (D) with regard to the Revolving Lenders collectively, the sum of the aggregate principal amount of Swing Line Loans outstanding plus the aggregate amount of Revolving Loans outstanding plus the aggregate amount of L/C Obligations outstanding shall not exceed the Revolving Committed Amount, (E) the Swing Line Committed Amount shall not exceed the aggregate of the Revolving Commitments then in effect, (F) no Swing Line Loans may be drawn on the Closing Date and (G) the Swing Line Lender shall not be under any obligation to make any Swing Line Loans if any Revolving Lender is at such time a Defaulting Lender hereunder, unless the Swing Line Lender has entered into arrangements, including the delivery of Cash Collateral, satisfactory to the Swing Line Lender (in its sole discretion) with the applicable Borrower or such Revolving Lender to eliminate the Swing Line Lenders' actual or potential Fronting Exposure (after giving effect to Section 2.17(a)(iv)) with respect to the Defaulting Lender arising from either the Swing Line Loans then proposed to be made and all other Swing Line Loans as to which the Swing Line Lender has actual or potential Fronting Exposure, as it may elect in its sole discretion. Swing Line Loans shall be made and maintained as Base Rate Loans and may be repaid and reborrowed in accordance with the provisions hereof prior to the Swing Line Termination Date. Swing Line Loans may be made notwithstanding the fact that such Swing Line Loans, when aggregated with the Swing Line Lender's other Revolving Outstandings, exceed its Revolving Commitment. The proceeds of a Swing Line Borrowing may not be used, in whole or in part, to refund any prior Swing Line Borrowing.

(ii) The principal amount of all Swing Line Loans shall be due and payable on the earliest of (A) the 10th Business Day after the incurrence of such Swing Line Loan, unless another maturity date shall be agreed to by the Swing Line Lender and the applicable Borrower with respect to such Swing Line Loan, (B) the Swing Line Termination Date, (C) the occurrence of any proceeding with respect to any Borrower under any Insolvency or Liquidation Proceeding or (D) the acceleration of any Loan or the termination of the Revolving Commitments pursuant to Section 8.02.

(iii) With respect to any Swing Line Loans that have not been voluntarily prepaid by a Borrower or paid by a Borrower when due under clause (ii) above, the Swing Line Lender (by request to the Administrative Agent) or the Administrative Agent at any time may, on one Business Day's notice, require each Revolving Lender, including the Swing Line Lender, and each such Lender hereby agrees, subject to the provisions of this Section 2.01(c), to make a Revolving Loan (which shall be initially funded as a Base Rate Loan) in an amount in Dollars equal to such Lender's Revolving Commitment Percentage of the amount of the Swing Line Loans (the "Refunded Swing Line Loans") outstanding on the date notice is given.

(iv) In the case of Revolving Loans made by Lenders other than the Swing Line Lender under clause (iii) above, each such Revolving Lender shall make the amount of its Revolving Loan available to the Administrative Agent, in same day funds, at the Administrative Agent's Office, not later than 1:00 P.M. on the Business Day next succeeding the date such notice is given. The proceeds of such Revolving Loans shall be immediately delivered to the Swing Line Lender (and not to any Borrower) and applied to repay the Refunded Swing Line Loans. On the day such Revolving Loans are made, the Swing Line Lender's Revolving Commitment Percentage of the Refunded Swing Line Loans shall be deemed to be paid with the proceeds of a Revolving Loan made by the Swing Line Lender and such portion of the Swing Line Loans deemed to be so paid shall no longer be outstanding as Swing Line Loans and shall instead be outstanding as Revolving Loans. The applicable Borrower authorizes the Administrative Agent and the Swing Line Lender to charge such Borrower's account with the Administrative Agent (up to the amount available in such account) in order to pay immediately to the Swing Line Lender the amount of such Refunded Swing Line Loans to the extent amounts received from the Revolving Lenders, including amounts deemed to be received from the Swing Line Lender, are not sufficient to repay in full such Refunded Swing Line Loans. If any portion of any such amount paid (or deemed to be paid) to the Swing Line Lender should be recovered by or on behalf of the applicable Borrower from the Swing Line Lender in

bankruptcy, by assignment for the benefit of creditors or otherwise, the loss of the amount so recovered shall be ratably shared among all Revolving Lenders in the manner contemplated by Section 2.13.

(v) A copy of each notice given by the Swing Line Lender pursuant to this Section 2.01(c) shall be promptly delivered by the Swing Line Lender to the Administrative Agent and the applicable Borrower. Upon the making of a Revolving Loan by a Revolving Lender pursuant to this Section 2.01(c), the amount so funded shall no longer be owed in respect of its Participation Interest in the related Refunded Swing Line Loans.

(vi) If as a result of any proceeding under any Insolvency or Liquidation Proceeding, Revolving Loans are not made pursuant to this Section 2.01(c) sufficient to repay any amounts owed to the Swing Line Lender as a result of a nonpayment of outstanding Swing Line Loans, each Revolving Lender agrees to purchase, and shall be deemed to have purchased, a participation in such outstanding Swing Line Loans in an amount equal to its Revolving Commitment Percentage of the unpaid amount together with accrued interest thereon. Upon one Business Day's notice from the Swing Line Lender, each Revolving Lender shall deliver to the Swing Line Lender an amount equal to its respective Participation Interest in such Swing Line Loans in same day funds at the office of the Swing Line Lender specified or referred to in Section 10.02. In order to evidence such Participation Interest each Revolving Lender agrees to enter into a participation agreement at the request of the Swing Line Lender in form and substance reasonably satisfactory to all parties. In the event any Revolving Lender fails to make available to the Swing Line Lender the amount of such Revolving Lender's Participation Interest as provided in this Section 2.01(c)(vi), the Swing Line Lender shall be entitled to recover such amount on demand from such Revolving Lender together with interest at the customary rate set by the Swing Line Lender for correction of errors among banks in New York City for one Business Day and thereafter at the Base Rate plus the then Applicable Margin for Base Rate Loans.

(vii) Each Revolving Lender's obligation to make Revolving Loans pursuant to clause (iv) above and to purchase Participation Interests in outstanding Swing Line Loans pursuant to clause (vi) above shall be absolute and unconditional and shall not be affected by any circumstance, including (without limitation) (i) any set-off, counterclaim, recoupment, defense or other right which such Revolving Lender or any other Person may have against the Swing Line Lender, any Borrower or any other Loan Party, (ii) the occurrence or continuance of a Default or an Event of Default or the termination or reduction in the amount of the Revolving Commitments after any such Swing Line Loans were made, (iii) any adverse change in the condition (financial or otherwise) of any Borrower or any other Person, (iv) any breach of this Agreement or any other Finance Document by any Borrower or any other Lender, (v) whether any condition specified in Article IV is then satisfied or (vi) any other circumstance, happening or event whatsoever, whether or not similar to any of the forgoing. If such Lender does not pay such amount forthwith upon the Swing Line Lender's demand therefor, and until such time as such Lender makes the required payment, the Swing Line Lender shall be deemed to continue to have outstanding Swing Line Loans in the amount of such unpaid Participation Interest for all purposes of the Finance Documents other than those provisions requiring the other Lenders to purchase a participation therein. Further, such Lender shall be deemed to have assigned any and all payments made of principal and interest on its Loans, and any other amounts due to it hereunder, to the Swing Line Lender to fund Swing Line Loans in the amount of the Participation Interest in Swing Line Loans that such Lender failed to purchase pursuant to this Section 2.01(c)(vii) until such amount has been purchased (as a result of such assignment or otherwise).

Section 2.02 Notice of Borrowings.

(a) *Borrowings Other Than Swing Line Loans and L/C Borrowings*. Except in the case of Swing Line Loans and L/C Borrowings, the applicable Borrower shall give the Administrative

Agent an irrevocable notice; which may be given by (A) telephone, or (B) a Notice of Borrowing; provided that any telephone notice must be confirmed immediately by delivery to the Administrative Agent of a Notice of Borrowing. Each such Notice of Borrowing must be received by the Administrative Agent not later than 12:00 P.M. on (i) the first Business Day before the proposed Base Rate Borrowing and (ii) the third Business Day before each proposed Eurodollar Loan Borrowing ~~(except that the Notice of Borrowing with respect to Loans to be borrowed on the Closing Date may be in such form and may be provided on such shorter notice as may be agreed by the Administrative Agent)~~, unless such Borrower wishes to request an Interest Period for such Borrowing other than one, two, three or six months in duration as provided in the definition of "Interest Period," in which case on the fourth Business Day before each such Eurodollar Loan, specifying:

(i) the date of such Borrowing, which shall be a Business Day;

(ii) the aggregate amount of such Borrowing;

(iii) the Class and initial Type of the Loans comprising such Borrowing;

(iv) in the case of a Eurodollar Loan, the duration of the initial Interest Period applicable thereto, subject to the provisions of the definition of "Interest Period" and to Section 2.06(a); and

(v) the location (which must be in the United States or, in the case of an Irish Borrower, Ireland) and number of such Borrower's account, to which funds are to be disbursed, which shall comply with the requirements of Section 2.03.

If the duration of the initial Interest Period is not specified with respect to any requested Eurodollar Loan, then the applicable Borrower shall be deemed to have selected an initial Interest Period of one month, subject to the provisions of the definition of "Interest Period" and to Section 2.06(a).

(b) *Swing Line Borrowings*. The applicable Borrower shall request a Swing Line Loan by (A) telephone or (B) written notice substantially in the form of Exhibit A-4 hereto or such other form as approved by the Administrative Agent (including any form on an electronic platform or electronic transmission system as shall be approved by the Administrative Agent), appropriately completed and signed by a Responsible Officer of the applicable Borrower (a "Swing Line Loan Request") to the Swing Line Lender and the Administrative Agent; provided that any telephonic notice must be confirmed promptly by delivery to the Swing Line Lender and the Administrative Agent of a Swing Line Loan Request. Each such notice must be received by the Swing Line Lender and the Administrative Agent not later than (i) in the case of the U.S. Borrower, 12:00 P.M. or (ii) in the case of an Irish Borrower, 11:00 A.M. (Dublin time), in each case on the Business Day of the requested Swing Line Loan. Each such notice shall be irrevocable and shall specify (i) that a Swing Line Loan is requested, (ii) the date of the requested Swing Line Loan (which shall be a Business Day) and (iii) the principal amount of the Swing Line Loan requested, which shall be a minimum of $100,000. Each Swing Line Loan shall be made as a Base Rate Loan and, subject to Section 2.01(c)(ii), shall have such maturity date as agreed to by the Swing Line Lender and the applicable Borrower upon receipt by the Swing Line Lender of the Swing Line Loan Request from such Borrower.

(c) *L/C Borrowings*. Each L/C Borrowing shall be made as specified in Section 2.05(e)(iv) without the necessity of a Notice of Borrowing.

(d) *Foreign Borrowings*. Each Lender may, at its option, make any Loan available to any Borrower that is a Foreign Subsidiary of Parent by causing any foreign or domestic branch or Affiliate

of such Lender that is an Eligible Assignee to make such Loan; provided that any exercise of such option shall not affect the obligation of such Borrower to repay such Loan in accordance with the terms of this Agreement.

(e) *Cashless Settlement*. Notwithstanding anything to the contrary in this Agreement, any Lender may exchange, continue or rollover all or a portion of its Loans in connection with any refinancing, extension, loan modification or similar transaction permitted by the terms of this Agreement, pursuant to a cashless settlement mechanism approved by the applicable Borrower, the Administrative Agent, and such Lender.

Section 2.03 Notice to Lenders; Funding of Loans.

(a) *Notice to Lenders*. If a Borrower has requested an Interest Period of other than one, two, three or six months in duration, the Administrative Agent shall give prompt notice of such request to the applicable Lenders and determine whether the requested Interest Period is acceptable to all of them. Not later than 11:00 A.M. on the third Business Day before the requested date of such a Eurodollar Loan, the Administrative Agent shall notify such Borrower (which notice may be by telephone) whether or not the requested Interest Period has been consented to by all the Lenders. Upon receipt of a Notice of Borrowing, the Administrative Agent shall promptly notify each Lender of such Lender's ratable share (if any) of the Borrowing referred to therein, and such Notice of Borrowing shall not thereafter be revocable by the applicable Borrower.

(b) *Funding of Loans*.

(i) (x) Not later than 1:00 P.M. on the date of each Borrowing (other than a Base Rate Borrowing, a Swing Line Borrowing and an L/C Borrowing) or (y) not later than 1:00 P.M. on the date of each Base Rate Borrowing, each Lender participating therein shall make available its share of such Borrowing, in Federal or other immediately available funds, to the Administrative Agent at the Administrative Agent's Office. Unless the Administrative Agent determines that any applicable condition specified in Article IV has not been satisfied, the Administrative Agent shall make the funds so received available to the applicable Borrower in like funds as received by the Administrative Agent either by (A) crediting the account of such Borrower on the books of the Administrative Agent with the amount of such funds or (B) wire transfer of such funds, in each case in accordance with instructions provided to (and reasonably acceptable to) the Administrative Agent by such Borrower in the applicable Notice of Borrowing, or, if a Borrowing shall not occur on such date because any condition precedent herein shall not have been met, promptly return the amounts received from the Lenders in like funds, without interest.

(ii) Not later than (x) in the case of the U.S. Borrower, 3:00 P.M. or (y) in the case of an Irish Borrower, 3:00 P.M. (Dublin time) on the date of each Swing Line Borrowing, the Swing Line Lender shall, unless the Administrative Agent shall have notified the Swing Line Lender that any applicable condition specified in Article IV has not been satisfied, make available the amount of such Swing Line Borrowing, in Federal or other immediately available funds, to the applicable Borrower at the Swing Line Lender's address referred to in Section 10.02.

(iii) Not later than 1:00 P.M. on the date of each L/C Borrowing, each Revolving Lender shall make available its share of such Borrowing, in Federal or other immediately available funds, to the Administrative Agent at the Administrative Agent's Office. Unless the Administrative Agent determines that any applicable condition specified in Article IV has not been satisfied (other than the delivery of a Notice of Borrowing), the Administrative Agent shall remit the funds so received to the L/C Issuer which has issued Letters of Credit having outstanding Unreimbursed Amounts as contemplated by Section 2.05(e)(v).

(c) *Funding by the Administrative Agent in Anticipation of Amounts Due from the Lenders*. Unless the Administrative Agent shall have received notice from a Lender prior to the proposed date of any Borrowing that such Lender will not make available to the Administrative Agent such Lender's share of such Borrowing, the Administrative Agent may assume that such Lender has made such share available to the Administrative Agent on the date of such Borrowing in accordance with subsection (b) of this Section 2.03, and the Administrative Agent may, in reliance upon such assumption, but is not required to, make available to applicable Borrower on such date a corresponding amount. In such event, if a Lender has not in fact made its share of the applicable Borrowing available to the Administrative Agent then the applicable Lender and applicable Borrower severally agree to pay to the Administrative Agent forthwith on demand such corresponding amount in immediately available funds with interest thereon, for each day from and including the date such amount is made available to such Borrower but excluding the date of payment to the Administrative Agent at (i) in the case of a payment to be made by such Lender, the greater of the Federal Funds Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation and (ii) in the case of a payment to be made by a Borrower, the interest rate applicable thereto pursuant to Section 2.06. If a Borrower and such Lender shall pay such interest to the Administrative Agent for the same or an overlapping period, the Administrative Agent shall promptly remit to such Borrower the amount of such interest paid by such Borrower for such period. If such Lender pays its share of the applicable Borrowing to the Administrative Agent, then the amount so paid shall constitute such Lender's Loan included in such Borrowing. Any payment by a Borrower shall be without prejudice to any claim such Borrower may have against a Lender that shall have failed to make such payment to the Administrative Agent. A notice of the Administrative Agent to a Lender or any Borrower with respect to any amount owing under this subsection (c) shall be conclusive, absent manifest error.

(d) *Failed Loans*. If any Lender shall fail to make any Loan (a "Failed Loan") which such Lender is otherwise obligated hereunder to make to a Borrower on the date of Borrowing thereof, and the Administrative Agent shall not have received notice from such Borrower or such Lender that any condition precedent to the making of the Failed Loan has not been satisfied, then, until such Lender shall have made or be deemed to have made (pursuant to the last sentence of this subsection (d)), the Failed Loan in full or the Administrative Agent shall have received notice from such Borrower or such Lender that any condition precedent to the making of the Failed Loan was not satisfied at the time the Failed Loan was to have been made, whenever the Administrative Agent shall receive any amount from such Borrower for the account of such Lender, (i) the amount so received (up to the amount of such Failed Loan) will, upon receipt by the Administrative Agent, be deemed to have been paid to the Lender in satisfaction of the obligation for which paid, without actual disbursement of such amount to the Lender, (ii) the Lender will be deemed to have made the same amount available to the Administrative Agent for disbursement as a Loan to the such Borrower (up to the amount of such Failed Loan) and (iii) the Administrative Agent will disburse such amount (up to the amount of the Failed Loan) to such Borrower or, if the Administrative Agent has previously made such amount available to such Borrower on behalf of such Lender pursuant to the provisions hereof, reimburse itself (up to the amount of the amount made available to such Borrower); provided, however, that the Administrative Agent shall have no obligation to disburse any such amount to such Borrower, or otherwise apply it or deem it applied as provided herein unless the Administrative Agent shall have determined in its sole discretion that to so disburse such amount will not violate any Law, rule, regulation or requirement applicable to the Administrative Agent. Upon any such disbursement by the Administrative Agent, such Lender shall be deemed to have made a Base Rate Loan of the same Class as the Failed Loan to the applicable Borrower in satisfaction, as applicable, to the extent thereof, of such Lender's obligation to make the Failed Loan.

Section 2.04 Evidence of Loans.

(a) *Lender and Administrative Agent Accounts; Notes*. The Credit Extensions made by each Lender shall be evidenced by one or more accounts or records maintained by such Lender and by the Administrative Agent in the ordinary course of business. The accounts or records maintained by the Administrative Agent and each Lender shall be conclusive absent manifest error of the amount of the Credit Extensions made by the Lenders to a Borrower and the interest and payments thereon. Any failure to so record or any error in doing so shall not, however, limit or otherwise affect the obligation of the applicable Borrower hereunder to pay any amount owing with respect to the Senior Credit Obligations. In the event of any conflict between the accounts and records maintained by any Lender and the accounts and records of the Administrative Agent in respect of such matters, the accounts and records of the Administrative Agent shall control in the absence of manifest error. Upon the request of any Lender made through the Administrative Agent, the applicable Borrower shall execute and deliver to such Lender (through the Administrative Agent) a single Revolving Note or Term Note, as applicable, in each case, substantially in the form of Exhibit B-1 or B-2, as applicable, payable to the order of such Lender for the account of its Lending Office in an amount equal to the aggregate unpaid principal amount of such Lender's Revolving Loans or Term Loans, as applicable, which shall evidence such Lender's Loans in addition to such accounts or records. If requested by the Swing Line Lender, the Swing Line Loans shall be evidenced by a single Swing Line Note, substantially in the form of Exhibit B-3, payable to the order of the Swing Line Lender in an amount equal to the aggregate unpaid principal amount of the Swing Line Loans. Each Lender having one or more Notes shall record the date, amount, Class and Type of each Loan made by it and the date and amount of each payment of principal made by the applicable Borrower with respect thereto, and may, if such Lender so elects in connection with any transfer or enforcement of any Note, endorse on the reverse side or on the schedule, if any, forming a part thereof appropriate notations to evidence the foregoing information with respect to each outstanding Loan evidenced thereby; provided that the failure of any Lender to make any such recordation or endorsement or any error in any such recordation or endorsement shall not affect the obligations of such Borrower hereunder or under any such Note. Each Lender is hereby irrevocably authorized by the applicable Borrower so to endorse each of its Notes and to attach to and make a part of each of its Notes a continuation of any such schedule as and when required.

(b) *Certain Participation Interests*. In addition to the accounts and records referred to in subsection (a) above, each Lender and the Administrative Agent shall maintain in accordance with its usual practice accounts or records evidencing purchases and sales by such Lender of Participation Interests in Letters of Credit and Swing Line Loans. In the event of any conflict between the accounts and records maintained by the Administrative Agent and the accounts and records of any Lender in respect of such matters, the accounts and records of the Administrative Agent shall control in the absence of manifest error.

Section 2.05 Letters of Credit.

(a) *Letters of Credit*. Subject to the terms and conditions set forth herein, (i) each L/C Issuer agrees, in reliance upon the agreements of the other Revolving Lenders set forth in this Section 2.05, (A) from time to time on any Business Day during the period from the Closing Date until the Letter of Credit Expiration Date, to issue standby or, subject to the limitations set forth in the definition of "L/C Issuer," commercial Letters of Credit for the account, and upon the request, of a Borrower (or jointly for the account of any Borrower, Parent or any Subsidiary) and in support of obligations of any Borrower, Parent or one or more Subsidiaries (including (x) obligations in respect of and in lieu of deposits or security guarantees in the ordinary course of business, (y) to provide support for performance, payment or appeal bonds, indemnity obligations or other surety, including, without limitation, workers compensation insurance and (z) for such other general corporate purposes as the L/C Issuer may agree in its reasonable discretion), and to amend or extend Letters of Credit previously issued by it, in accordance with subsection

(c) below, and (B) to honor drawings under its Letters of Credit, and (ii) each Revolving Lender severally agrees to participate in Letters of Credit issued for the account of any Borrower, Parent or any Subsidiary of Parent and any drawing thereunder in accordance with the provisions of subsection (e) below; provided that, immediately after each Letter of Credit is issued, (i) the aggregate amount of the L/C Obligations shall not exceed the L/C Sublimit and the aggregate amount of the L/C Obligations of the applicable L/C Issuer shall not exceed the L/C Sublimit of such L/C Issuer, (ii) the Revolving Outstandings shall not exceed the Revolving Committed Amount and (iii) with respect to each individual Revolving Lender, the aggregate outstanding principal amount of such Revolving Lender's Revolving Loans plus its Participation Interests in outstanding L/C Obligations plus its (other than the Swing Line Lender's) Participation Interests in outstanding Swing Line Loans shall not exceed such Revolving Lender's Revolving Commitment Percentage of the Revolving Committed Amount. Each request by a Borrower, Parent or a Subsidiary for the issuance or increase in the stated amount of a Letter of Credit shall be deemed to be a representation such Borrower, Parent or such Subsidiary that the issuance or increase in the stated amount of such Letter of Credit complies with the conditions set forth in the proviso to the preceding sentence. Within the foregoing limits, and subject to the terms and conditions hereof, a Borrower's ability to obtain Letters of Credit shall be fully revolving, and accordingly a Borrower may, during the period specified in clause (i)(A) above, obtain Letters of Credit to replace Letters of Credit that have expired or that have been drawn upon and reimbursed. ~~The Existing Letter of Credit shall be deemed to have been issued pursuant hereto, and from and after the Closing Date shall be subject to and governed by the terms and conditions hereof.~~

(b) *Certain Limitations on Issuances of Letters of Credit*.

(i) No L/C Issuer shall issue any Letter of Credit, if (A) subject to subsection (c) below with respect to Auto-Extension Letters of Credit, the expiry date of such requested Letter of Credit would occur more than twelve months after the date of issuance or last extension, unless the applicable L/C Issuer and the Required Revolving Lenders have approved such expiry date, or (B) the expiry date of such requested Letter of Credit would occur after the Letter of Credit Expiration Date.

(ii) No L/C Issuer shall be under any obligation to issue any Letter of Credit if: (A) any order, judgment or decree of any Governmental Authority or arbitrator shall by its terms purport to enjoin or restrain the L/C Issuer from issuing such Letter of Credit, or any Law applicable to such L/C Issuer or any request or directive (whether or not having a force of Law) from any Governmental Authority with jurisdiction over such L/C Issuer shall prohibit, or request that such L/C Issuer refrain from, the issuance of letters of credit generally or such Letter of Credit in particular or shall impose upon such L/C Issuer with respect to such Letter of Credit any restriction, reserve or capital requirement (for which such L/C Issuer is not otherwise compensated hereunder) not in effect on the ~~Closing~~Amendment No. 2 Effective Date, or shall impose upon such L/C Issuer any unreimbursed loss, cost or expense which was not applicable on the ~~Closing~~Amendment No. 2 Effective Date and which such L/C Issuer in good faith deems material to it; (B) the issuance of such Letter of Credit shall violate any Laws or one or more policies of such L/C Issuer applicable to letters of credit generally; (C) except as otherwise agreed by the Administrative Agent and the L/C Issuer, such Letter of Credit is in an initial stated amount less than $100,000, in the case of a commercial Letter of Credit, or $250,000, in the case of a standby Letter of Credit; (D) such Letter of Credit is to be denominated in a currency other than Dollars; or (E) a default of any Revolving Lender's obligations to fund under subsection (e)(iv) or (vi) below exists or any Revolving Lender is at such time a Defaulting Lender hereunder, unless the L/C Issuer has entered into arrangements, including the delivery of Cash Collateral, satisfactory to the L/C Issuer (in its sole discretion) with any Borrower or such Revolving Lender to eliminate the L/C Issuer's actual or potential Fronting Exposure (after giving effect to Section 2.17(a)(iv)) with respect to the Defaulting Lender arising from either the Letter of Credit then proposed to be issued or that Letter of Credit and all other L/C Obligations as to which the L/C Issuer has actual or potential Fronting Exposure, as it may elect in its sole discretion.

(iii) No L/C Issuer shall amend any Letter of Credit if the L/C Issuer would not be permitted at such time to issue such Letter of Credit in its amended form under the terms hereof.

(iv) No L/C Issuer shall be under any obligation to amend any Letter of Credit if (A) the L/C Issuer would have no obligation at such time to issue such Letter of Credit in its amended form under the terms hereof, or (B) the beneficiary of such Letter of Credit does not accept the proposed amendment to such Letter of Credit.

(v) Each L/C Issuer shall act on behalf of the Revolving Lenders with respect to any Letters of Credit issued by it and the documents associated therewith, and each L/C Issuer shall have all of the benefits and immunities (A) provided to the Administrative Agent in Article IX with respect to any acts taken or omissions suffered by such L/C Issuer in connection with Letters of Credit issued by it or proposed to be issued by it and the L/C Documents pertaining to such Letters of Credit as fully as if the term "Administrative Agent" as used in Article IX included such L/C Issuer with respect to such acts or omissions, and (B) as additionally provided herein with respect to such L/C Issuer.

(c) *Procedures for Issuance and Increases in the Amounts of Letters of Credit*.

(i) Each Letter of Credit shall be issued or amended, as the case may be, upon the request of the applicable Borrower delivered to the applicable L/C Issuer (with a copy to the Administrative Agent) substantially in the form of Exhibit A-3 hereto (or in such other form from time to time in use by the applicable L/C Issuer) (a "Letter of Credit Request"), appropriately completed and signed by a Responsible Officer of such Borrower. Such Letter of Credit Request may be sent by facsimile, by United States mail, by overnight courier, by electronic transmission using the system provided by the applicable L/C Issuer, by personal delivery or by any other means acceptable to the applicable L/C Issuer. Such Letter of Credit Request must be received by the L/C Issuer and the Administrative Agent not later than 2:00 P.M. at least four Business Days (or such later date and time as the Administrative Agent and the L/C Issuer may agree in a particular instance in their sole discretion) prior to the proposed issuance date or date of amendment, as the case may be. In the case of a request for an initial issuance of a Letter of Credit, such Letter of Credit Request shall specify in form and detail reasonably satisfactory to the L/C Issuer: (A) the proposed issuance date of the requested Letter of Credit (which shall be a Business Day); (B) the amount thereof; (C) the expiry date thereof, (D) the name and address of the beneficiary thereof; (E) the documents to be presented by such beneficiary in case of any drawing thereunder; (F) the full text of any certificate to be presented by such beneficiary in case of any drawing thereunder; and (G) such other matters as the L/C Issuer may require. In the case of a request for an amendment of any outstanding Letter of Credit, such Letter of Credit Request shall specify in form and detail satisfactory to the L/C Issuer: (A) the Letter of Credit to be amended; (B) the proposed date of amendment thereof (which shall be a Business Day); (C) the nature of the proposed amendment; and (D) such other matters as the L/C Issuer may require. If requested by the applicable L/C Issuer, the applicable Borrower shall also submit a Letter of Credit Application on such L/C Issuer's standard form in connection with any request for the issuance or increase in the stated amount of a Letter of Credit. Additionally, the applicable Borrower shall furnish to the L/C Issuer and the Administrative Agent such other documents and information pertaining to such requested Letter of Credit issuance or amendment, including any L/C Documents, as the L/C Issuer or the Administrative Agent may require.

(ii) Promptly after receipt of any Letter of Credit Request, the L/C Issuer will confirm with the Administrative Agent (by telephone or in writing) that the Administrative Agent has received a copy of such Letter of Credit Request from the applicable Borrower and, if not, the L/C Issuer will provide the Administrative Agent with a copy thereof. Unless the L/C Issuer has received written notice from any Revolving Lender, the Administrative Agent or any Loan Party, at least one Business Day prior to the

requested date of issuance or amendment of the applicable Letter of Credit, that one or more applicable conditions contained in Article IV shall not then be satisfied, then, subject to the terms and conditions thereof, the L/C Issuer shall, on the requested date, issue a Letter of Credit for the account of such Borrower (or jointly for the account of any Borrower and Parent or the applicable Subsidiary) or enter into the applicable amendment, as the case may be, in each case in accordance with the L/C Issuer's usual and customary business practices.

(iii) If a Borrower so requests in any applicable Letter of Credit Request, the L/C Issuer may, in its sole and absolute discretion, agree to issue a Letter of Credit that has automatic extension provisions (each, an "Auto-Extension Letter of Credit"); provided that any such Auto-Extension Letter of Credit must permit the L/C Issuer to prevent any such extension at least once in each twelve-month period (commencing with the date of issuance of such Letter of Credit) by giving prior notice to the beneficiary thereof not later than a day (the "Non-Extension Notice Date") in each such twelve-month period to be agreed upon at the time such Letter of Credit is issued. Unless otherwise directed by the L/C Issuer, the applicable Borrower shall not be required to make a specific request to the L/C Issuer for any such extension. Once an Auto-Extension Letter of Credit has been issued, the Revolving Lenders shall be deemed to have authorized (but may not require) the L/C Issuer to permit the extension of such Letter of Credit at any time to an expiry date not later than the Letter of Credit Expiration Date; provided, however, that the L/C Issuer shall not permit any such extension if (A) the L/C Issuer has determined that it would not be permitted, or would have no obligation, at such time to issue such Letter of Credit in its revised form (as extended) under the terms hereof (by reason of the provisions of subsection (c)(i) or (ii) above or otherwise) or (B) it has received notice (which may be by telephone or in writing) on or before the day that is five Business Days before the Non-Extension Notice Date (x) from the Administrative Agent that the Required Revolving Lenders have elected not to permit such extension or (y) from the Administrative Agent, any Revolving Lender or any Loan Party that one or more of the applicable conditions specified in Section 4.02 are not then satisfied (for the avoidance of doubt, the provision of any such notice to the L/C Issuer pursuant to this clause (y) shall not relieve any Revolving Lender of its obligation to fund its share of any such Letter of Credit that is not extended, to the extent such Letter of Credit is drawn under the terms of this Agreement), and in each such case directing the L/C Issuer not to permit such extension.

(iv) If any Borrower so requests in any applicable Letter of Credit Request, the L/C Issuer may, in its sole discretion, agree to issue a Letter of Credit that permits the automatic reinstatement of all or a portion of the stated amount thereof after any drawing thereunder (each, an "Auto-Reinstatement Letter of Credit"). Unless otherwise directed by the L/C Issuer, the Borrowers shall not be required to make a specific request to the L/C Issuer to permit such reinstatement. Once an Auto-Reinstatement Letter of Credit has been issued, except as provided in the following sentence, the Revolving Lenders shall be deemed to have authorized (but may not require) the L/C Issuer to reinstate all or a portion of the stated amount thereof in accordance with the provisions of such Letter of Credit. Notwithstanding the foregoing, if such Auto-Reinstatement Letter of Credit permits the L/C Issuer to decline to reinstate all or any portion of the stated amount thereof after a drawing thereunder by giving notice of such non-reinstatement within a specified number of days after such drawing (the "Non-Reinstatement Deadline"), the L/C Issuer shall not permit such reinstatement if it has received a notice (which may be by telephone or in writing) on or before the day that is seven (7) Business Days before the Non-Reinstatement Deadline (A) from the Administrative Agent that the Required Revolving Lenders have elected not to permit such reinstatement or (B) from the Administrative Agent, any Lender or the Borrowers that one or more of the applicable conditions specified in Section 4.02 is not then satisfied (treating such reinstatement as an L/C Credit Extension for purposes of this clause) and, in each case, directing the L/C Issuer not to permit such reinstatement.

(v) Promptly after its delivery of any Letter of Credit or any amendment to a Letter of Credit to an advising bank with respect thereto or to the beneficiary thereof, the L/C Issuer will also deliver to the applicable Borrower and the Administrative Agent a true and complete copy of such Letter of Credit or amendment.

(d) *Purchase and Sale of Letter of Credit Participation*. Immediately upon the issuance by an L/C Issuer of a Letter of Credit, such L/C Issuer shall be deemed, without further action by any party hereto, to have sold to each Revolving Lender, and each Revolving Lender shall be deemed, without further action by any party hereto, to have purchased from such L/C Issuer, without recourse or warranty, an undivided Participation Interest in such Letter of Credit and the related L/C Obligations in the proportion its Revolving Commitment Percentage bears to the Revolving Committed Amount (although any fronting fee payable under Section 2.11 shall be payable directly to the Administrative Agent for the account of the applicable L/C Issuer, and the Lenders (other than such L/C Issuer) shall have no right to receive any portion of any such fronting fee) and any security therefor or guaranty pertaining thereto. Upon any change in the Revolving Commitments pursuant to Section 10.06, there shall be an automatic adjustment to the Participation Interests in all outstanding Letters of Credit and all L/C Obligations to reflect the adjusted Revolving Commitments of the assigning and assignee Lenders or of all Lenders having Revolving Commitments, as the case may be.

(e) *Drawings and Reimbursements; Funding of Participations*.

(i) Upon receipt from the beneficiary of any Letter of Credit of any notice of a drawing under such Letter of Credit, the applicable L/C Issuer shall promptly notify the applicable Borrower and the Administrative Agent thereof and shall determine in accordance with the terms of such Letter of Credit whether such drawing should be honored. If the L/C Issuer determines that any such drawing shall be honored, such L/C Issuer shall make available to such beneficiary in accordance with the terms of such Letter of Credit the amount of the drawing and shall notify the applicable Borrower and the Administrative Agent as to the amount to be paid as a result of such drawing and the payment date (which date shall be one Business Day after the date of the drawing) (each such date, an "Honor Date").

(ii) The applicable Borrower shall be irrevocably and unconditionally obligated forthwith to reimburse each L/C Issuer or each L/C Issuer through the Administrative Agent for any amounts paid by such L/C Issuer upon any drawing under any Letter of Credit, together with any and all reasonable charges and expenses which the L/C Issuer may pay or incur relative to such drawing. Such reimbursement payment shall be due and payable on the same day as the Honor Date if notice is received prior to 11:00 A.M. or the next Business Day after the Honor Date otherwise. In addition, such Borrower agrees to pay to the L/C Issuer interest, payable on demand, on any and all amounts not paid by such Borrower to the L/C Issuer when due under this subsection (e)(ii), for each day from and including the date when such amount becomes due to but excluding the date such amount is paid in full, whether before or after judgment, at a rate per annum equal to the Default Rate. Each reimbursement and other payment to be made by such Borrower pursuant to this clause (ii) shall be made to the L/C Issuer in Federal or other funds immediately available to it at its address referred to in Section 10.02.

(iii) Subject to the satisfaction of all applicable conditions set forth in Article IV, a Borrower may, at its option, utilize the Swing Line Commitment or the Revolving Commitments, or make other arrangements for payment satisfactory to the L/C Issuer, for the reimbursement of all L/C Disbursements as required by clause (ii) above.

(iv) With respect to any L/C Disbursements that have not been reimbursed by the applicable Borrower when due under clauses (ii) and (iii) above (an "Unreimbursed Amount"), the

Administrative Agent shall promptly notify each Revolving Lender of the Honor Date, the amount of the Unreimbursed Amount and the amount of such Revolving Lender's pro rata share thereof and such Revolving Lender's pro rata share of such unreimbursed L/C Disbursement (determined by the proportion its Revolving Commitment Percentage bears to the aggregate Revolving Committed Amount). In such event, such Borrower shall be deemed to have requested an "L/C Borrowing" of Revolving Loans that are Base Rate Loans to be disbursed on the next Business Day following the Honor Date in an aggregate amount in Dollars equal to the Unreimbursed Amount, without regard to the minimum and multiples specified in Section 2.01(a), but subject to the amount of the unutilized portion of the Revolving Commitments and the conditions set forth in Section 4.02 (other than the delivery of a Notice of Borrowing), and each such Revolving Lender hereby agrees to make a Revolving Loan (which shall be initially funded as a Base Rate Loan) in an amount equal to such Lender's Revolving Commitment Percentage of the Unreimbursed Amount outstanding on the date notice is given. Any such notice given by the Administrative Agent given pursuant to this clause (iv) may be given by telephone if immediately confirmed in writing; provided that the lack of such an immediate confirmation shall not affect the conclusiveness or binding effect of such notice.

(v) Each Revolving Lender (including any Revolving Lender acting as L/C Issuer in respect of any Unreimbursed Amount) shall, upon any notice from the Administrative Agent pursuant to clause (iv) above, make the amount of its Revolving Loan available to the Administrative Agent in Dollars in Federal or other immediately available funds, at the Administrative Agent's Office, not later than 1:00 P.M. on the Business Day specified in such notice, whereupon, subject to clause (vi) below, each Revolving Lender that so makes funds available shall be deemed to have made a Revolving Base Rate Loan to the applicable Borrower in such amount. The Administrative Agent shall remit the funds so received (and the Administrative Agent may apply Cash Collateral provided for this purpose) to the applicable L/C Issuer.

(vi) With respect to any Unreimbursed Amount that is not fully refinanced by an L/C Borrowing pursuant to clauses (iv) and (v) above because the conditions set forth in Section 4.02 cannot be satisfied or for any other reason, the Administrative Agent shall promptly notify each Revolving Lender (other than the relevant L/C Issuer), and each such Revolving Lender shall promptly and unconditionally pay to the Administrative Agent, for the account of such L/C Issuer, such Revolving Lender's pro rata share of such Unreimbursed Amount (determined by the proportion its Revolving Commitment Percentage bears to the aggregate Revolving Committed Amount) in Dollars in Federal or other immediately available funds. Such payment from the Revolving Lenders shall be due (i) at or before 1:00 P.M. on the date the Administrative Agent so notifies a Revolving Lender, if such notice is given at or before 10:00 A.M. on such date or (ii) at or before 10:00 A.M. on the next succeeding Business Day, together with interest on such amount for each day from and including the date of such drawing to but excluding the day such payment is due from such Revolving Lender at the Federal Funds Rate for such day (which funds the Administrative Agent shall promptly remit to the applicable L/C Issuer). Each payment by a Revolving Lender to the Administrative Agent for the account of an L/C Issuer in respect of an Unreimbursed Amount shall constitute a payment in respect of its Participation Interest in the related Letter of Credit purchased pursuant to subsection (d) above. The failure of any Revolving Lender to make available to the Administrative Agent for the account of an L/C Issuer its pro rata share of any Unreimbursed Amount shall not relieve any other Revolving Lender of its obligation hereunder to make available to the Administrative Agent for the account of such L/C Issuer its pro rata share of any payment made under any Letter of Credit on the date required, as specified above, but no such Lender shall be responsible for the failure of any other Lender to make available to the Administrative Agent for the account of the L/C Issuer such other Lender's pro rata share of any such payment. Upon payment in full of all amounts payable by a Lender under this clause (vi), such Lender shall be subrogated to the rights of the L/C Issuer against the applicable Borrower to the extent of such Lender's pro rata share of the related L/C Obligation so paid (including interest accrued thereon).

(vii) Each Revolving Lender's obligation to make Revolving Loans pursuant to clause (iv) above and to make payments in respect of its Participation Interests in Unreimbursed Amounts pursuant to clause (vi) above shall be absolute and unconditional and shall not be affected by any circumstance, including: (A) any setoff, counterclaim, recoupment, defense or other right which such Lender may have against the L/C Issuer, the applicable Borrower or any other Person for any reason whatsoever; (B) the occurrence or continuance of a Default; or (C) any other occurrence, event or condition, whether or not similar to any of the foregoing; provided, however, that each Revolving Lender's obligation to make Revolving Loans as a part of an L/C Borrowing pursuant to clause (iv) above is subject to the conditions set forth in Section 4.02 (other than delivery by the applicable Borrower of a Notice of Borrowing). No such making by a Revolving Lender of a Revolving Loan or a payment by a Revolving Lender of an amount in respect of its Participation Interest in Unreimbursed Amounts shall relieve or otherwise impair the obligation of such Borrower to reimburse the L/C Issuer for the amount of any payment made by the L/C Issuer under any Letter of Credit, together with interest as provided herein.

(viii) If any Revolving Lender fails to make available to the Administrative Agent for the account of an L/C Issuer any amount required to be paid by such Revolving Lender pursuant to the foregoing provisions of this subsection (e) by the time specified therefor, then, without limiting the other provisions of this Agreement, the applicable L/C Issuer shall be entitled to recover from such Revolving Lender (acting through the Administrative Agent), on demand, such amount with interest thereon for the period from the date such payment is required to the date on which such payment is immediately available to the applicable L/C Issuer at a rate per annum equal to the greater of the Federal Funds Rate and a rate determined by the applicable L/C Issuer in accordance with banking industry rules on interbank compensation, plus any administrative, processing or similar fees customarily charged by the L/C Issuer in connection with the foregoing. If such Lender pays such amount (with interest and fees as aforesaid), the amount so paid shall constitute such Lender's Revolving Loan included in the relevant Revolving Borrowing or Participation Interest in respect of the relevant L/C Borrowing as the case may be. Any payment made by any Lender after 3:00 P.M. on any Business Day shall be deemed for purposes of the preceding sentence to have been made on the next succeeding Business Day. A certificate of the applicable L/C Issuer submitted to any Revolving Lender (through the Administrative Agent) with respect to any amounts owing under this clause (viii) shall be conclusive absent manifest error.

(f) *Repayment of Funded Participations in Respect of Drawn Letters of Credit*.

(i) Whenever the Administrative Agent receives a payment of an L/C Obligation as to which the Administrative Agent has received for the account of an L/C Issuer any payments from the Revolving Lenders pursuant to subsection (e) above (whether directly from the applicable Borrower or otherwise, including proceeds of cash collateral applied thereto by the Administrative Agent), the Administrative Agent shall promptly pay to each Revolving Lender which has paid its pro rata share thereof an amount equal to such Lender's pro rata share of the amount thereof (appropriately adjusted, in the case of interest payments, to reflect the period of time during which the payments from the Revolving Lenders were received) in the same funds as those received by the Administrative Agent.

(ii) If any payment received by the Administrative Agent for the account of an L/C Issuer pursuant to clause (i) above is required to be returned under any of the circumstances described in Section 10.05 (including pursuant to any settlement entered into by such L/C Issuer in its discretion), each Revolving Lender shall pay to the Administrative Agent for the account of such L/C Issuer its pro rata share thereof (determined by the proportion its Revolving Commitment Percentage bears to the aggregate Revolving Committed Amount) on demand of the Administrative Agent, plus interest thereon from the date of such demand to the date such amount is returned by such Revolving Lender, at a rate per annum equal to

the Federal Funds Rate for such day. The obligations of the Lenders under this clause shall survive the payment in full of the Obligations and termination of this Agreement.

(g) *Obligations Absolute*. The obligations of each Borrower under Sections 2.05(e)(i) and 2.05(e)(ii) above shall be absolute (subject to the right to bring subsequent claims subject to the limitations set forth in Section 2.05(l)(v)) and unconditional and shall be performed strictly in accordance with the terms of this Agreement, ISP and UCP, as applicable, under all circumstances whatsoever, including, without limitation, the following circumstances:

(i) any lack of validity or enforceability of such Letter of Credit, this Agreement or any other Loan Document;

(ii) any amendment or waiver of or any consent to departure from all or any of the provisions of this Agreement, any Letter of Credit or any other Loan Document;

(iii) the use which may be made of the Letter of Credit by, or any acts or omission of, a beneficiary of a Letter of Credit (or any Person for whom the beneficiary may be acting);

(iv) the existence of any claim, counterclaim, setoff, defense or other rights that Parent or any Subsidiary may have at any time against a beneficiary or any transferee of a Letter of Credit (or any Person for whom the beneficiary or transferee may be acting), any L/C Issuer or any other Person, whether in connection with this Agreement, the transactions contemplated hereby or by any Letter of Credit or any document related hereto or thereto or any unrelated transaction;

(v) any draft, demand, certificate, statement or any other document presented under a Letter of Credit proving to be forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect whatsoever, or any loss or delay in the transmission or otherwise of any document required in order to make a drawing under such Letter of Credit;

(vi) waiver by the L/C Issuer of any requirement that exists for the L/C Issuer's protection and not the protection of the Borrowers or any waiver by the L/C Issuer which does not in fact materially prejudice the Borrowers;

(v) honor of a demand for payment presented electronically even if such Letter of Credit requires that demand be in the form of a draft;

(vi) any payment made by the L/C Issuer in respect of an otherwise complying item presented after the date specified as the expiration date of, or the date by which documents must be received under such Letter of Credit if presentation after such date is authorized by the UCC, the ISP or the UCP, as applicable;

(vii) any payment by the L/C Issuer under a Letter of Credit against presentation of a draft or certificate that does not strictly comply with the terms of such Letter of Credit;

(viii) any payment made by the L/C Issuer under such Letter of Credit to any Person purporting to be a trustee in bankruptcy, debtor-in-possession, assignee for the benefit of creditors, liquidator, examiner, receiver or other representative of or successor to any beneficiary or any transferee of such Letter of Credit, including any arising in connection with any proceeding under any Insolvency or Liquidation Proceeding; or

(ix) any other act or omission to act or delay of any kind by any L/C Issuer or any other Person or any other event or circumstance whatsoever that might, but for the provisions of this clause (ix), constitute a legal or equitable discharge of each Borrower's obligations hereunder;

provided that the foregoing shall not excuse any L/C Issuer from liability to the applicable Borrower to the extent of any direct damages (as opposed to punitive or consequential damages or lost profits, claims in respect of which are waived by such Borrower to the extent permitted by applicable Law) suffered by such Borrower that are caused by acts or omissions by such L/C Issuer constituting gross negligence or willful misconduct on the part of such L/C Issuer (as determined by a court of competent jurisdiction in a final non-appealable judgment).

Each Borrower shall promptly examine a copy of each Letter of Credit and each amendment thereto that is delivered to it and, in the event of any claim of noncompliance with such Borrower's instructions or other irregularity, such Borrower will promptly notify the L/C Issuer. Each Borrower shall be conclusively deemed to have waived any such claim against the L/C Issuer and its correspondents unless such notice is given as aforesaid.

(h) *Role of L/C Issuers; Reliance*. Each Revolving Lender and each Borrower agree that the relevant L/C Issuer shall not have any responsibility to obtain any document (other than any sight draft, certificates and documents expressly required by the Letter of Credit) or to ascertain or inquire as to the validity or accuracy of any such document or the authority of the Person executing or delivering any such document. None of the L/C Issuer, the Agents or their respective Related Parties or any of the respective correspondents, participants or assignees of the L/C Issuer shall be liable to any Lender for: (i) any action taken or omitted in connection herewith at the request or with the approval of the Revolving Lenders or the Required Revolving Lenders, as applicable; (ii) any action taken or omitted in the absence of gross negligence or willful misconduct as determined by a court of competent jurisdiction in a final and nonappealable judgment; or (iii) the due execution, effectiveness, validity or enforceability of any document or instrument related to any Letter of Credit or L/C Document. Each Borrower hereby assumes all risks of the acts or omissions of any beneficiary or transferee with respect to its use of any Letter of Credit; provided, however, that this assumption is not intended to, and shall not, preclude each Borrower's pursuing such rights and remedies as it may have against the beneficiary or transferee at law or under any other agreement. None of the L/C Issuer, the Agents or any of their respective Related Parties, or any of the respective correspondents, participants or assignees of the L/C Issuer, shall be liable or responsible for any of the matters described in clauses (i) through (viii) of subsection (g) of this Section 2.05; provided, however, that anything in such clauses to the contrary notwithstanding, a Borrower may have a claim against the L/C Issuer, and the L/C Issuer may be liable to such Borrower, to the extent, but only to the extent, of any direct, as opposed to consequential or exemplary, damages suffered by such Borrower which are determined by a court of competent jurisdiction in a final and nonappealable judgment to have been caused by the L/C Issuer's willful misconduct or gross negligence or the L/C Issuer's willful or grossly negligent failure to pay under any Letter of Credit after the presentation to it by the beneficiary of a sight draft and certificate(s) strictly complying with the terms and conditions of a Letter of Credit. In furtherance and not in limitation of the foregoing, the L/C Issuer may accept documents that appear on their face to be in order, without responsibility for further investigation, regardless of any notice or information to the contrary, and the L/C Issuer shall not be responsible for the validity or sufficiency of any instrument transferring or assigning or purporting to transfer or assign a Letter of Credit or the rights or benefits thereunder or proceeds thereof, in whole or in part, which may prove to be invalid or ineffective for any reason. The L/C Issuer may send a Letter of Credit or conduct any communication to or from the beneficiary via the Society for Worldwide Interbank Financial Telecommunication ("SWIFT") message or overnight courier, or any other commercially reasonable means of communicating with a beneficiary.

(i) *Applicability of ISP and UCP*. Unless otherwise expressly agreed by the L/C Issuer and the applicable Borrower when a Letter of Credit is issued (i) the rules of the ISP shall apply to each standby Letter of Credit and (ii) the rules of the UCP, as most recently published by the International Chamber of Commerce at the time of issuance shall apply to each commercial Letter of Credit. Notwithstanding the foregoing, the L/C Issuer shall not be responsible to Parent or any Borrower for, and the L/C Issuer's rights and remedies against Parent or any Borrower shall not be impaired by, any action or inaction of the L/C Issuer required or permitted under any law, order, or practice that is required or permitted to be applied to any Letter of Credit or this Agreement, including the Law or any order of a jurisdiction where the L/C Issuer or the beneficiary is located, the practice stated in the ISP or UCP, as applicable, or in the decisions, opinions, practice statements, or official commentary of the ICC Banking Commission, the Bankers Association for Finance and Trade – International Financial Services Association (BAFT-IFSA), or the Institute of International Banking Law & Practice, whether or not any Letter of Credit chooses such law or practice.

(j) *Conflict with L/C Documents*. In the event of any conflict between this Agreement and any L/C Document, this Agreement shall govern.

(k) *Letters of Credit Issued for Parent or Subsidiaries*. Notwithstanding that a Letter of Credit issued or outstanding hereunder is in support of any obligations of, or is for the account of, Parent or a Subsidiary of Parent (other than the applicable Borrower), the applicable Borrower shall be obligated to reimburse the applicable L/C Issuer hereunder for any and all drawings under such Letter of Credit. Each Borrower hereby acknowledges that the issuance of Letters of Credit for the account of Parent or Subsidiaries inures to the benefit of such Borrower, and that such Borrower's business derives benefits from the businesses of Parent or such Subsidiaries.

(l) *Indemnification of L/C Issuer*.

(i) In addition to its other obligations under this Agreement, each Borrower hereby agrees to protect, indemnify, pay and save each L/C Issuer harmless from and against any and all claims, demands, liabilities, damages, losses, costs, charges and expenses (including reasonable out-of-pocket fees, charges and disbursements of counsel) that such L/C Issuer may incur or be subject to as a consequence, direct or indirect, of (A) the issuance of any Letter of Credit or (B) the failure of such L/C Issuer to honor a drawing under a Letter of Credit as a result of any act or omission, whether rightful or wrongful, of any present or future de jure or de facto government or Governmental Authority (all such acts or omissions herein called "Government Acts").

(ii) As between the applicable Borrower and each L/C Issuer, such Borrower shall assume all risks of the acts or omissions of or the misuse of any Letter of Credit by the beneficiary thereof. The L/C Issuer shall not be responsible for: (A) the form, validity, sufficiency, accuracy, genuineness or legal effect of any document submitted by any party in connection with the application for and issuance of any Letter of Credit, even if it should in fact prove to be in any or all respects invalid, insufficient, inaccurate, fraudulent or forged; (B) the validity or sufficiency of any instrument transferring or assigning or purporting to transfer or assign any Letter of Credit or the rights or benefits thereunder or proceeds thereof, in whole or in part, that may prove to be invalid or ineffective for any reason; (C) failure of the beneficiary of a Letter of Credit to comply fully with conditions required in order to draw upon a Letter of Credit; (D) errors, omissions, interruptions or delays in transmission or delivery of any messages, by mail, cable, telegraph, telex or otherwise, whether or not they be in cipher; (E) errors in interpretation of technical terms; (F) any loss or delay in the transmission or otherwise of any documents required in order to make a drawing under a Letter of Credit or of the proceeds thereof; and (G) any consequences arising from causes

beyond the control of the L/C Issuer, including, without limitation, any Government Acts. None of the above shall affect, impair, or prevent the vesting of the L/C Issuer's rights or powers hereunder.

(iii) In furtherance and extension and not in limitation of the specific provisions hereinabove set forth, any action taken or omitted by an L/C Issuer, under or in connection with any Letter of Credit or the related certificates, if taken or omitted in good faith, shall not put the L/C Issuer under any resulting liability to any Borrower or any other Loan Party. It is the intention of the parties that this Agreement shall be construed and applied to protect and indemnify the L/C Issuer against any and all risks involved in the issuance of any Letter of Credit, all of which risks are hereby assumed by the Loan Parties, including, without limitation, any and all risks, whether rightful or wrongful, of any present or future Government Acts. The L/C Issuer shall not, in any way, be liable for any failure by the L/C Issuer or anyone else to pay any drawing under any Letter of Credit as a result of any Government Acts or any other cause beyond the control of the L/C Issuer.

(iv) Nothing in this subsection (l) is intended to limit the Reimbursement Obligation of any Borrower contained in this Section 2.05. The obligations of any Borrower under this subsection (l) shall survive the termination of this Agreement. No act or omission of any current or prior beneficiary of a Letter of Credit shall in any way affect or impair the rights of any L/C Issuer to enforce any right, power or benefit under this Agreement.

(v) Notwithstanding anything to the contrary contained in this subsection (l), no Borrower shall have obligation to indemnify any L/C Issuer in respect of any liability incurred by such L/C Issuer arising solely out of the gross negligence or willful misconduct of such L/C Issuer, as determined by a court of competent jurisdiction in a final and nonappealable judgment. Nothing in this Agreement shall relieve any L/C Issuer of any liability to a Borrower in respect of any action taken by such L/C Issuer which action constitutes gross negligence or willful misconduct of such L/C Issuer, as determined by a court of competent jurisdiction in a final and nonappealable judgment.

(m) *Resignation of an L/C Issuer*. An L/C Issuer may resign at any time by giving 30 days' notice to the Administrative Agent, the Revolving Lenders and the Lead Borrower; provided, however, that any such resignation shall not affect the rights or obligations of the L/C Issuer with respect to Letters of Credit issued by it prior to such resignation. Upon any such resignation, the Lead Borrower shall (within 60 days after such notice of resignation) either appoint a successor or terminate the unutilized L/C Commitment of such L/C Issuer; provided, however, that, if the Lead Borrower elects to terminate such unutilized L/C Commitment, the Lead Borrower may at any time thereafter that the Revolving Commitments are in effect reinstate such L/C Commitment in connection with the appointment of another L/C Issuer. Upon the acceptance of any appointment as an L/C Issuer hereunder by a successor L/C Issuer, such successor shall succeed to and become vested with all the interests, rights and obligations of the retiring L/C Issuer and the retiring L/C Issuer shall be discharged from its obligations to issue Letters of Credit hereunder. The acceptance of any appointment as L/C Issuer hereunder by a successor L/C Issuer shall be evidenced by an agreement entered into by such successor, in a form reasonably satisfactory to the Lead Borrower and the Administrative Agent, and, from and after the effective date of such agreement, (i) such successor shall be a party hereto and have all the rights and obligations of an L/C Issuer under this Agreement and the other Loan Documents and (ii) references herein and in the other Loan Documents to the "L/C Issuer" shall be deemed to refer to such successor or to any previous L/C Issuer, or to such successor and all previous L/C Issuers, as the context shall require. After the resignation of an L/C Issuer hereunder, the retiring L/C Issuer shall remain a party hereto and shall continue to have all the rights and obligations of an L/C Issuer under this Agreement and the other Loan Documents with respect to Letters of Credit issued by it prior to such resignation, but shall not be required to issue additional Letters of Credit.

(n) *Reporting*. Each L/C Issuer (other than the Administrative Agent) will report in writing to the Administrative Agent (i) on the first Business Day of each month, the aggregate face amount of Letters of Credit issued by it and outstanding as of the last Business Day of the preceding month, (ii) on or prior to each Business Day on which such L/C Issuer expects to issue, amend, renew or extend any Letter of Credit, the date of such issuance or amendment, and the aggregate face amount of Letters of Credit to be issued, amended, renewed or extended by it and outstanding after giving effect to such issuance, amendment, renewal or extension (and such L/C Issuer shall advise the Administrative Agent on such Business Day whether such issuance, amendment, renewal or extension occurred and whether the amount thereof changed), (iii) on each Business Day on which such L/C Issuer makes any L/C Disbursement, the date and amount of such L/C Disbursement, (iv) on any Business Day on which a Borrower, as applicable, fails to reimburse an L/C Disbursement required to be reimbursed to such L/C Issuer on such day, the date and amount of such failure and (v) on any other Business Day, such other information as the Administrative Agent shall reasonably request as to the Letters of Credit issued by such L/C Issuer.

Section 2.06 Interest.

(a) *Rate Options Applicable to Loans*. Each Borrowing (other than a Swing Line Borrowing, which shall be made and maintained as Base Rate Loans) shall be comprised of Base Rate Loans or Eurodollar Loans, as the applicable Borrower may request pursuant to Section 2.02. Borrowings of more than one Type may be outstanding at the same time; provided, however, that such Borrower may not request any Borrowing that, if made, would result in an aggregate of more than ten separate Groups of Eurodollar Loans being outstanding hereunder at any one time. For this purpose, Loans having different Interest Periods, regardless of whether commencing on the same date, shall be considered separate Groups. Interest hereunder shall be due and payable in accordance with the terms hereof before and after judgment and before and after the commencement of any proceeding under any Insolvency or Liquidation Proceeding.

(b) *Rates Applicable to Loans*. Subject to the provisions of subsection (c) below, (i) each Eurodollar Loan shall bear interest on the outstanding principal amount thereof for each Interest Period applicable thereto at a rate per annum equal to the sum of the Adjusted Eurodollar Rate for such Interest Period plus the then Applicable Margin for Eurodollar Loans, (ii) each Base Rate Loan shall bear interest on the outstanding principal amount thereof for each day from the date such Loan is made as, or converted into, a Base Rate Loan until it becomes due or is converted into a Loan of any other Type, at a rate per annum equal to the Base Rate for such day plus the then Applicable Margin for Base Rate Loans, and (iii) each Swing Line Loan shall bear interest on the outstanding principal amount thereof from the applicable borrowing date at a rate per annum equal to the Base Rate plus the then Applicable Margin for Swing Line Loans.

(c) *Additional Interest*. If any Loan or interest thereon or any fee described in Section 2.11 due and owing is not paid when due (without regard to any applicable grace periods), whether at stated maturity, by acceleration or otherwise, such overdue amount shall thereafter bear interest at a fluctuating interest rate per annum at all times equal to the Default Rate to the fullest extent permitted by applicable Laws.

(d) *Interest Payments*. Interest on each Loan shall be due and payable in arrears on each Interest Payment Date applicable thereto and at such other times as may be specified herein. Interest hereunder shall be due and payable in accordance with the terms hereof before and after judgment, and before and after the commencement of any proceeding under any Insolvency or Liquidation Proceeding. Accrued and unpaid interest on past due amounts (including interest on past due interest) shall be due and payable upon demand.

(e) *Determination and Notice of Interest Rates*. The Administrative Agent shall promptly notify the applicable Borrower and the Lenders of the interest rate applicable to any Interest Period for Eurodollar Loans upon determination of such interest rate. At any time when Base Rate Loans are outstanding, the Administrative Agent shall notify the applicable Borrower and the Lenders of any change in the "prime rate" used in determining the Base Rate promptly following the public announcement of such change. Any notice with respect to Eurodollar Loans shall, without the necessity of the Administrative Agent so stating in such notice, be subject to the provisions of the definition of "Applicable Margin" providing for adjustments in the Applicable Margin applicable to such Loans after the beginning of the Interest Period applicable thereto.

Section 2.07 Extension and Conversion.

(a) *Continuation and Conversion Options*. The Loans included in each Borrowing shall bear interest initially at the type of rate allowed by Section 2.06 and as specified by the applicable Borrower in the applicable Notice of Borrowing. Thereafter, such Borrower shall have the option, on any Business Day, to elect to change or continue the type of interest rate borne by each Group of Loans (subject in each case to the provisions of Article III and Section 2.07(d)), as follows:

(i) if such Loans are Base Rate Loans, such Borrower may elect to convert such Loans to Eurodollar Loans as of any Business Day; and

(ii) if such Loans are Eurodollar Loans, such Borrower may elect to convert such Loans to Base Rate Loans or elect to continue such Loans as Eurodollar Loans for an additional Interest Period, subject to Section 3.05 in the case of any such conversion or continuation effective on any day other than the last day of the then current Interest Period applicable to such Loans.

Each such election shall be made by delivering a notice, substantially in the form of Exhibit A-2 hereto or such other form as may be approved by the Administrative Agent (including any form on an electronic platform or electronic transmission system as shall be approved by the Administrative Agent), appropriately completed and signed by a Responsible Officer of the applicable Borrower (a "Notice of Extension/Conversion") (which may be by telephone if promptly confirmed in writing), which notice shall not thereafter be revocable by the applicable Borrower, to the Administrative Agent not later than 12:00 Noon on the third Business Day before the conversion or continuation selected in such notice is to be effective. A Notice of Extension/Conversion may, if it so specifies, apply to only a portion of the aggregate principal amount of the relevant Group of Loans; provided that (i) such portion is allocated ratably among the Loans comprising such Group and (ii) the portion to which such Notice of Borrowing applies, and the remaining portion to which it does not apply, are each $5,000,000 or any larger multiple of $1,000,000.

(b) *Contents of Notice of Extension/Conversion*. Each Notice of Extension/ Conversion shall specify:

(i) the Group of Loans (or portion thereof) to which such notice applies;

(ii) the date on which the conversion or continuation selected in such notice is to be effective, which shall comply with the applicable clause of Section 2.07(a) above;

(iii) if the Loans comprising such Group are to be converted, the new Type of Loans and, if the Loans being converted are to be Eurodollar Loans, the duration of the next succeeding Interest Period applicable thereto; and

(iv) if such Loans are to be continued as Eurodollar Loans for an additional Interest Period, the duration of such additional Interest Period.

Each Interest Period specified in a Notice of Extension/Conversion shall comply with the provisions of the definition of the term "Interest Period." If no Notice of Extension/Conversion is timely received prior to the end of an Interest Period for any Group of Eurodollar Loans, the applicable Borrower shall be deemed to have elected that such Group be converted to Base Rate Loans as of the last day of such Interest Period.

(c) *Notification to Lenders*. Upon receipt of a Notice of Extension/Conversion from the applicable Borrower pursuant to Section 2.07(a), the Administrative Agent shall promptly notify each Lender of the contents thereof.

(d) *Limitation on Conversion/Continuation Options*. No Borrower shall be entitled to elect to convert any Loans to, or continue any Loans for an additional Interest Period as, Eurodollar Loans if the aggregate principal amount of any Group of Eurodollar Loans created or continued as a result of such election would be less than $5,000,000. If an Event of Default shall have occurred and be continuing when any Borrower delivers notice of such election to the Administrative Agent, such Borrower shall not be entitled to elect to convert any Eurodollar Loans to, or continue any Eurodollar Loans for an Interest Period as, Eurodollar Loans having an Interest Period in excess of one month.

Section 2.08 Repayment of Loans; Maturity of Loans.

(a) *Maturity of Revolving Loans*. The Revolving Loans shall mature on the Revolving Termination Date, and any Revolving Loans, Swing Line Loans and L/C Obligations then outstanding (together with accrued interest thereon and fees in respect thereof) shall be due and payable on such date.

(b) *Scheduled Amortization of Term Loans*. Subject to adjustment as a result of prior payments in accordance with the terms of this Agreement, the Lead Borrower shall repay, and there shall become due and payable (together with accrued interest thereon), on each Principal Amortization Payment Date ~~falling in each month listed below~~ in the principal amount of Term Loans equal to (i) the aggregate outstanding principal amount of Term Loans ~~indicated opposite such month:~~

~~Principal Amortization Payment Date~~	~~Amortized Payment of Term Loans~~
~~December 2015~~	~~$9,375,000.00~~
~~March 2016~~	~~$9,375,000.00~~
~~June 2016~~	~~$9,375,000.00~~
~~December 2016~~	~~$9,023,437.50~~
~~March 2017~~	~~$9,023,437.50~~
~~June 2017~~	~~$9,023,437.50~~
~~September 2017~~	~~$9,023,437.50~~
~~December 2017~~	~~$9,023,437.50~~
~~March 2018~~	~~$9,023,437.50~~
~~June 2018~~	~~$9,023,437.50~~
~~September 2018~~	~~$9,023,437.50~~
~~December 2018~~	~~$13,535,156.25~~
~~March 2019~~	~~$13,535,156.25~~
~~June 2019~~	~~$13,535,156.25~~
~~September 2019~~	~~$13,535,156.25~~

~~Principal Amortization Payment Date~~	~~Amortized Payment of Term Loans~~
~~December 2019~~	~~$18,046,875.00~~
~~March 2020~~	~~$18,046,875.00~~
~~June 2020~~	~~$18,046,875.00~~
~~September 2020~~	~~$18,046,875.00~~
~~December 2020~~	~~$22,558,593.75~~
~~March 2021~~	~~$22,558,593.75~~
~~June 2021~~	~~$22,558,593.75~~

immediately after the Amendment No. 2 Effective Date multiplied by (ii) 1.25%, rounded to the nearest dollar (which payments shall be reduced as a result of the application of prepayments in accordance with the order of priority set forth in Section 2.09). Any remaining unpaid principal amount of Term Loans shall be due and payable on the Term Loan Maturity Date.

Section 2.09 Prepayments.

(a) *Voluntary Prepayment of Revolving Loans and Term Loans*. Each Borrower shall have the right voluntarily to, upon notice to the Administrative Agent, prepay Revolving Loans and Term Loans, as applicable, in whole or in part from time to time, subject to Section 3.05 but otherwise without premium or penalty; provided, however, (A) any prepayment of Eurodollar Loans shall be in a principal amount of $5,000,000 or a whole multiple of $1,000,000 in excess thereof; and (B) any prepayment of Base Rate Loans shall be in a principal amount of $500,000 or a whole multiple of $100,000 in excess thereof or, in each case, if less, the entire principal amount thereof then outstanding. Each payment pursuant to this Section shall be applied as set forth in Section 2.09(e).

(b) *Swing Line Loans*. Each Borrower may, upon notice to the Swing Line Lender (with a copy to the Administrative Agent), at any time or from time to time, voluntarily prepay Swing Line Loans in whole or in part without premium or penalty; provided that (i) such notice must be received by the Swing Line Lender and the Administrative Agent not later than 1:00 P.M. on the date of the prepayment, and (ii) any such prepayment shall be in a minimum principal amount of $100,000. Each such notice shall specify the date and amount of such prepayment. If such notice is given by any Borrower, such Borrower shall make such prepayment and the payment amount specified in such notice shall be due and payable on the date specified therein.

(c) *Mandatory Prepayments*.

(i) *Revolving Committed Amount*. If on any date the aggregate Revolving Outstandings exceed the Revolving Committed Amount, the applicable Borrower shall repay, and there shall become due and payable (together with accrued interest thereon), on such date an aggregate principal amount of Swing Line Loans equal to such excess. If the outstanding Swing Line Loans have been repaid in full, the applicable Borrower shall prepay, and there shall become due and payable (together with accrued interest thereon), Revolving Loans in such amounts as are necessary so that, after giving effect to the repayment of the Swing Line Loans and the repayment of Revolving Loans, the aggregate Revolving Outstandings do not exceed the Revolving Committed Amount. If the outstanding Revolving Loans and Swing Line Loans have been repaid in full, the applicable Borrower shall Cash Collateralize L/C Obligations so that, after giving effect to the repayment of Swing Line Loans and Revolving Loans and the Cash Collateralization of L/C Obligations pursuant to this subsection (i), the aggregate Revolving Outstandings do not exceed the Revolving Committed Amount. In determining the aggregate Revolving Outstandings for purposes of this Agreement, L/C Obligations shall be reduced to the extent that they are Cash Collateralized as contemplated by this subsection (i). Each prepayment of Revolving Loans required

pursuant to this subsection (i) shall be applied ratably among outstanding Revolving Loans based on the respective amounts of principal then outstanding. Each Cash Collateralization of L/C Obligations required by this subsection (i) shall be applied ratably among L/C Obligations based on the respective amounts thereof then outstanding.

(ii) *[Reserved]*.

(iii) *Asset Dispositions, Casualties and Condemnations, etc*. Within five Business Days after receipt by Parent or any of its Restricted Subsidiaries of Net Cash Proceeds from any Asset Disposition (other than any Asset Disposition permitted under Section 7.03 (other than clause (a)(~~xiii), (xiv), (xv), (xvi), (xvii) or (~~xxi))), Casualty or Condemnation ~~(excluding Net Cash Proceeds to the extent and so long as they constitute Reinvestment Funds)~~, the Lead Borrower shall prepay (or cause to be prepaid) the Loans in an aggregate amount equal to 100% of the Net Cash Proceeds of such Asset Disposition, Casualty or Condemnation; provided that no such prepayment caused by the receipt of Net Cash Proceeds from any Asset Disposition shall be required to the extent that the sum of such Net Cash Proceeds and all other Net Cash Proceeds from Asset Dispositions (other than any Asset Disposition permitted under Section 7.03 (other than clause (a)(~~xiii), (xiv), (xv), (xvi), (xvii) or (~~xxi))) occurring after the Closing Date and during the same fiscal year does not exceed $~~25,000,000~~100,000,000 (it being understood that a prepayment shall only be required of such excess).

(iv) *Debt Issuances*. Within one Business Day after receipt by Parent or any of its Restricted Subsidiaries of Net Cash Proceeds from any Debt Issuance (other than any Debt Issuance permitted pursuant to Section 7.01 of this Agreement other than Credit Agreement Refinancing Indebtedness), the Lead Borrower shall prepay (or cause to be prepaid) the Term Loans in an aggregate amount equal to 100% of the Net Cash Proceeds of such Debt Issuance.

(v) *Application of Mandatory Prepayments*. All amounts required to be paid pursuant to this Section 2.09(c) shall be applied as follows:

(A) with respect to all amounts paid pursuant to Section 2.09(c)(i) or in respect of an Other Revolving Loan pursuant to an analogous provision in any Refinancing Amendment, first to Swing Line Loans, second to Revolving Loans and any Other Revolving Loans, as applicable, and third to Cash Collateralize L/C Obligations; and

(B) with respect to all amounts paid by the Lead Borrower pursuant to Section 2.09(c)(iii) or (iv), except as may be otherwise specified in any Refinancing Amendment or Increase Joinder, as applicable (with respect to any Other Term Loans or Incremental Term Loans, as applicable, subject to such Refinancing Amendment or Increase Joinder, as applicable; provided that such Refinancing Amendment or Increase Joinder, as applicable, shall not provide for better than pro rata treatment for such Other Term Loans or Incremental Term Loans, as applicable, with respect of each other Class of Term Loans, Incremental Term Loans and Other Term Loans), ratably to the remaining Principal Amortization Payments; provided that, in the case of Section 2.09(c)(iii), at the Lead Borrower's option, the Lead Borrower may apply a portion of such amounts to prepay outstanding Indebtedness incurred pursuant to Section 7.01(s) to the extent (x) such Indebtedness is secured by the Collateral on a *pari passu* basis with the Liens securing the Loans and (y) a mandatory prepayment in respect of such Asset Disposition, Casualty or Condemnation is required under the terms of such other Indebtedness, in which case, the amount of prepayment required to be made with respect to such Net Cash Proceeds pursuant to Section 2.09(c)(iii) shall be deemed to be the amount equal to the product of (x) the amount of such Net Cash Proceeds multiplied by (y) a fraction, the numerator of which is the outstanding principal

amount of Term Loans required to be prepaid pursuant to Section 2.09(c)(iii) and the denominator of which is the sum of the outstanding principal amount of such outstanding Indebtedness incurred pursuant to Section 7.01(s) and the outstanding principal amount of Term Loans required to be prepaid pursuant to Section 2.09(c)(iii).

(vi) *Payments Cumulative*. Except as otherwise expressly provided in this Section 2.09, payments required under any subsection or clause of this Section 2.09 are in addition to payments made or required under any other subsection or clause of this Section 2.09.

(d) *Notice of Mandatory Prepayment Events*. The Lead Borrower shall use commercially reasonable efforts to give to the Administrative Agent, and the Lenders, at least one Business Day's prior written or telecopy notice of each and every prepayment required under Section 2.09(c)(iii) through (iv), including the amount of Net Cash Proceeds expected to be received therefrom and the expected schedule for receiving such proceeds.

(e) *Notices of Prepayments*. Other than as specified in subsection (d) above, the applicable Borrower shall notify the Administrative Agent, in the case of any Revolving Loan which is a Base Rate Loan, by 11:00 A.M. on the date of any voluntary prepayment hereunder and, in the case of any other Loan, by 11:00 A.M. at least three Business Days prior to the date of voluntary prepayment in the case of Eurodollar Loans and at least one Business Day prior to the date of voluntary prepayment in the case of Base Rate Loans. Each notice of prepayment shall be substantially in the form of Exhibit S, or such other form as may be approved by the Administrative Agent (including any form on an electronic platform or electronic transmission system as shall be approved by the Administrative Agent), appropriately completed and signed by a Responsible Officer of the Borrower, and shall specify the prepayment date, the principal amount to be prepaid, whether the Loan to be prepaid is a Revolving Loan or a Term Loan, whether the Loan to be prepaid is a Eurodollar Loan or a Base Rate Loan and, in the case of a Eurodollar Loan, the Interest Period of such Loan; provided that a notice of prepayment may state that such notice is conditional on the receipt of other financing or the occurrence of some other identifiable event or condition, in which case such notice of prepayment may be revoked by the applicable Borrower (by notice to the Administrative Agent on or prior to the specified date of prepayment) if such condition is not satisfied. The Administrative Agent will promptly notify each Lender of its receipt of each such notice, and of the amount of such Lender's pro rata share, if any, thereof. Once such notice is given by a Borrower, such Borrower shall make such prepayment and the payment amount specified in such notice shall be due and payable as specified therein, subject to the proviso in the second preceding sentence. Subject to the foregoing, amounts prepaid under Section 2.09(a) shall be applied as the applicable Borrower may elect; provided that if such Borrower fails to specify the application of a voluntary prepayment of Term Loans, then, except as may be otherwise specified in any Refinancing Amendment, such prepayments shall be applied ratably to the remaining Principal Amortization Payments. Amounts prepaid under Section 2.09(c) shall be applied as set forth therein. All prepayments of Eurodollar Loans under this Section 2.09 shall be accompanied by accrued interest on the principal amount being prepaid to the date of payment, together with any additional amounts required pursuant to Section 3.05.

(f) *Rejected Payments*. In the event of any prepayment of any Term Loans of any Term Lender pursuant to Section 2.09(c)(iii) (an "Applicable Prepayment"), such Lender may reject all, but not less than all, of its share of such Applicable Prepayment by written notice (each, a "Rejection Notice") to the Administrative Agent no later than 12:00 P.M. (New York time) one Business Day after the date of such Term Lender's receipt of notice of such Applicable Prepayment as otherwise provided herein (the "Rejection Deadline"). If a Term Lender fails to deliver a Rejection Notice to the Administrative Agent at or prior to the Rejection Deadline, such Term Lender will be deemed to have accepted its share of the Applicable Prepayment. The aggregate portion of such Applicable Prepayment that is rejected by Term

Lenders pursuant to Rejection Notices shall be referred to as the "Rejected Amount." The Rejected Amount may be used by the Lead Borrower in any manner not prohibited by the Loan Documents.

Section 2.10 Adjustment of Commitments.

(a) *Optional Termination or Reduction of Commitments (Pro rata)*. Each Borrower may from time to time permanently reduce or terminate the Revolving Committed Amount, as applicable, in whole or in part (in minimum aggregate amounts of $5,000,000 or any whole multiple of $1,000,000 in excess thereof (or, if less, the full remaining amount of the then applicable Revolving Committed Amount)); provided that written or telecopy notice (which notice may be conditional on the receipt of other financing or the occurrence of some other identifiable event or condition to the extent specified in such notice) shall be received by the Administrative Agent not later than 11:00 A.M. five Business Days prior to the date of reduction or termination; provided, however, that no such termination or reduction shall be made which would cause the Revolving Outstandings to exceed the Revolving Committed Amount as so reduced, unless, concurrently with such termination or reduction, the Revolving Loans are repaid (and, after the Revolving Loans have been paid in full, the Swing Line Loans are repaid and, after the Swing Line Loans have been paid in full, the L/C Obligations are Cash Collateralized) to the extent necessary to eliminate such excess. The Administrative Agent shall promptly notify each affected Lender of the receipt by the Administrative Agent of any notice from a Borrower pursuant to this Section 2.10(a). Any partial reduction of the Revolving Committed Amount pursuant to this Section 2.10(a) shall be applied to the Revolving Commitments of the Lenders pro rata based upon their respective Revolving Commitment Percentages. The applicable Borrower shall pay to the Administrative Agent for the account of the Lenders in accordance with the terms of Section 2.11, on the date of each termination or reduction of the Revolving Committed Amount, any fees accrued through the date of such termination or reduction on the amount of the Revolving Committed Amount so terminated or reduced.

(b) *Termination*. The Revolving Commitments and the related L/C Commitments of the relevant L/C Issuers shall terminate automatically on the Revolving Termination Date. The Swing Line Commitment of the Swing Line Lender shall terminate automatically on the Swing Line Termination Date. The Term Commitments shall terminate automatically immediately after the making of the Term Loans on the ~~Closing~~Amendment No. 2 Effective Date.

(c) *General*. The applicable Borrower shall pay to the Administrative Agent for the account of the Lenders in accordance with the terms of this Section 2.10, on the date of each termination or reduction of the Revolving Committed Amount, the Commitment Fee accrued through the date of such termination or reduction on the amount of the Revolving Committed Amount so terminated or reduced.

Section 2.11 Fees.

(a) *Commitment Fee*. The Lead Borrower shall pay to the Administrative Agent for the account of each Revolving Lender (other than a Defaulting Lender) a fee (the "Commitment Fee") on such Lender's Revolving Commitment Percentage of the actual daily Unused Revolving Committed Amount, computed at a per annum rate equal to the Applicable Commitment Fee Percentage. The Commitment Fee shall commence to accrue on the Closing Date and shall be due and payable in arrears on the last Business Day of each March, June, September and December (and on any date that the Revolving Committed Amount is reduced as provided in Section 2.10(a) and on the Revolving Termination Date) for the period ending on each such date; provided that the first such payment shall be due on September 30, 2015.

(b) *Letter of Credit Fees*.

(i) *Letter of Credit Fee*. The applicable Borrower shall pay to the Administrative Agent for the account of each Revolving Lender that is not a Defaulting Lender a fee (the "Letter of Credit Fee") on such Lender's Revolving Commitment Percentage of the average daily maximum amount available to be drawn under each Letter of Credit (whether or not such maximum amount is then in effect under such Letter of Credit) computed at a per annum rate for each day from the date of issuance to the date of expiration equal to the Applicable Margin for Letter of Credit Fees in effect from time to time; provided, however, that any Letter of Credit Fees otherwise payable for the account of a Defaulting Lender with respect to any Letter of Credit as to which such Defaulting Lender has not provided Cash Collateral satisfactory to the applicable L/C Issuer pursuant to Section 2.05 shall instead be payable, to the maximum extent permitted by applicable Law, to the other Lenders in accordance with the upward adjustments in their respective Applicable Percentages allocable to such Letter of Credit pursuant to Section 2.17(a)(iv), with the balance of such fee, if any, payable to the applicable L/C Issuer for its own account. The Letter of Credit Fee will be computed on a quarterly basis in arrears and shall be due and payable on the last Business Day of each March, June, September and December, commencing with the first of such dates to occur after the date of issuance of such Letter of Credit, and on the Letter of Credit Expiration Date and thereafter on demand.

(ii) *Fronting Fee and Documentary and Processing Charges Payable to the L/C Issuer*. The applicable Borrower shall pay directly to the applicable L/C Issuer for its own account a fronting fee with respect to each Letter of Credit ~~(other than the Existing Letter of Credit)~~, at a rate equal to 0.125%, computed on the daily amount available to be drawn under such Letter of Credit on a quarterly basis in arrears. Such fronting fee shall be due and payable on last Business Day after the end of each March, June, September and December, commencing with the first such date after the issuance of such Letter of Credit, and on the Letter of Credit Expiration Date and thereafter on demand.

(iii) *L/C Issuer Fees*. In addition to the Letter of Credit Fee payable pursuant to clause (i) above and any fronting fees payable pursuant to clause (ii) above, the applicable Borrower promises to pay to the applicable L/C Issuer for its own account without sharing by the other Lenders the letter of credit fronting and negotiation fees agreed to by such Borrower and the applicable L/C Issuer from time to time and the customary charges from time to time of the applicable L/C Issuer with respect to the issuance, amendment, transfer, administration, cancellation and conversion of, and drawings under, such Letters of Credit (collectively, the "L/C Issuer Fees"). L/C Issuer Fees are due when earned and payable on demand and are nonrefundable.

(c) *Other Fees*. The Lead Borrower shall pay to the Lead Arranger and the Administrative Agent for their own respective accounts fees in the amounts and at the times specified in the Fee Letter. Such fees shall be fully earned when paid and shall not be refundable for any reason whatsoever. The applicable Borrower shall pay to the Lenders such fees as shall have been separately agreed upon in writing in the amounts and at the times so specified. Such fees shall be fully earned when paid and shall not be refundable for any reason whatsoever except as otherwise agreed.

Section 2.12 Pro rata Treatment. Except to the extent otherwise provided herein:

(a) *Loans*. Each Borrowing, each payment or prepayment of principal of or interest on any Loan, each payment of fees (other than the L/C Issuer Fees retained by an L/C Issuer for its own account, and the administrative fees retained by the Agents for their own account), each reduction of the Revolving Committed Amount and each conversion or continuation of any Loan, shall be allocated pro rata among the relevant Lenders in accordance with the respective Revolving

Commitment Percentages, Term Commitment Percentages, Other Revolving Commitment Percentage, Other Term Commitment Percentage, Incremental Revolving Commitment Percentage and Incremental Term Loan Commitment Percentage, as applicable, of such Lenders (or, if the Commitments of such Lenders have expired or been terminated, in accordance with the respective principal amounts of the outstanding Loans of the applicable Class and Participation Interests of such Lenders); provided that, in the event any amount paid to any Lender pursuant to this subsection (a) is rescinded or must otherwise be returned by the Administrative Agent, each Lender shall, upon the request of the Administrative Agent, repay to the Administrative Agent the amount so paid to such Lender, with interest for the period commencing on the date such payment is returned by the Administrative Agent until the date the Administrative Agent receives such repayment at a rate per annum equal to the greater of the Federal Funds Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation.

(b) *Letters of Credit*. Each payment of L/C Obligations shall be allocated to each Revolving Lender pro rata in accordance with its Revolving Commitment Percentage; provided that, if any Revolving Lender shall have failed to pay its applicable pro rata share of any L/C Disbursement as required under Section 2.05(e)(iv) or (vi), then any amount to which such Revolving Lender would otherwise be entitled pursuant to this subsection (b) shall instead be payable to the L/C Issuer.

Section 2.13 Sharing of Payments by Lenders. If any Lender shall, by exercising any right of setoff or counterclaim or otherwise, obtain payment in respect of any principal of or interest on any of the Loans made by it or of its Participation Interests in L/C Obligations or Swing Line Loans held by it resulting in such Lender's receiving payment of a proportion of the aggregate amount of such Loans or such Participation Interests and accrued interest thereon greater than its pro rata share thereof as provided herein, then the Lender receiving such greater proportion shall (i) notify the Administrative Agent of such fact, and (ii) purchase (for cash at face value) participation in the Loans and subparticipations in the Participation Interests in L/C Obligations and Swing Line Loans of the other Lenders, or make such other adjustments as shall be equitable, so that the benefit of all such payments shall be shared by the Lenders ratably in accordance with the aggregate amount of principal of and accrued interest on their respective Loans and other amounts owing thereon; provided that:

(i) if any such participations or subparticipations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations or subparticipations shall be rescinded and the purchase price restored to the extent of such recovery, without interest; and

(ii) the provisions of this Section shall not be construed to apply to (x) any payment made by or on behalf of the applicable Borrower pursuant to and in accordance with the express terms of this Agreement (including the application of funds arising from the existence of a Defaulting Lender and including payments made pursuant to Section 2.18 or 2.19), (y) the application of Cash Collateral provided for in Section 2.05 or 2.16, or (z) any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Loans or subparticipations in Participation Interests in L/C Obligations or Swing Line Loans to any assignee or participant, other than an assignment to Parent or any Subsidiary thereof (as to which the provisions of this Section shall apply).

Each Loan Party consents to the foregoing and agrees, to the extent it may effectively do so under applicable Law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against such Loan Party rights of setoff and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of such Loan Party in the amount of such participation.

Section 2.14 Payments Generally; Administrative Agent's Clawback.

(a) *Payments by the Applicable Borrower*. All payments to be made by any Borrower shall be made free and clear of and without condition or deduction for any counterclaim, defense, recoupment or setoff. Each payment of principal of and interest on Loans, L/C Obligations and fees hereunder (other than fees payable directly to the L/C Issuer) shall be paid not later than 2:00 P.M. on the date when due, in Dollars and in Federal or other funds immediately available to the Administrative Agent at the account designated by it by notice to the applicable Borrower. Payments received after 2:00 P.M. shall be deemed to have been received on the next Business Day, and any applicable interest or fee shall continue to accrue. The Administrative Agent may, in its sole discretion, distribute such payments to the applicable Lending Offices of the applicable Lenders on the date of receipt thereof, if such payment is received prior to 2:00 P.M.; otherwise the Administrative Agent may, in its sole discretion, distribute such payment to the applicable Lending Offices of the applicable Lenders on the date of receipt thereof or on the immediately succeeding Business Day. Whenever any payment hereunder shall be due on a day which is not a Business Day, the date for payment thereof shall be extended to the next succeeding Business Day (and such extension of time shall be reflected in computing interest or fees, as the case may be), unless (in the case of Eurodollar Loans) such Business Day falls in another calendar month, in which case the date for payment thereof shall be the next preceding Business Day. If the date for any payment of principal is extended by operation of Law or otherwise, interest thereon shall be payable for such extended time.

(b) *Presumption by the Administrative Agent*. Unless the Administrative Agent shall have received notice (which may be by telephone if promptly confirmed in writing) from the applicable Borrower prior to the date on which any payment is due to the applicable Lenders or any L/C Issuer hereunder that such Borrower will not make such payment, the Administrative Agent may assume that such Borrower has made such payment on such date in accordance herewith, and may, in reliance upon such assumption, distribute to the applicable Lenders or the L/C Issuer, as the case may be, the amount due. In such event, if such Borrower has not in fact made such payment, then each of the applicable Lenders or the L/C Issuer, as the case may be, severally agrees to repay to the Administrative Agent forthwith on demand the amount so distributed to such Lender or L/C Issuer, in immediately available funds with interest thereon, for each day from and including the date such amount is distributed to but excluding the date of payment to the Administrative Agent at the greater of the Federal Funds Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation. A notice of the Administrative Agent to any Lender or any Borrower with respect to any amount owing under this subsection (b) shall be conclusive, absent manifest error.

(c) *Failure to Satisfy Conditions Precedent*. If any Lender makes available to the Administrative Agent funds for any Loan to be made by such Lender as provided in the foregoing provisions of this Article II, and such funds are not made available to the applicable Borrower by the Administrative Agent because the conditions to the applicable Credit Extension set forth in Article IV are not satisfied or waived in accordance with the terms hereof, the Administrative Agent shall return such funds promptly (in like funds as received from such Lender) to such Lender, without interest.

(d) *Obligations of Lenders Several*. The obligations of the Lenders hereunder to make Loans and to purchase Participation Interests in the Letters of Credit and Swing Line Loans are several and not joint. The failure of any Lender to make a Loan required to be made by it as part of any Borrowing hereunder or to fund a Participation Interest shall not relieve any other Lender of its obligation, if any, hereunder to make any Loan on the date of such Borrowing or fund any such Participation Interest, but no Lender shall be responsible for the failure of any other Lender to make the Loan to be made by such other Lender on such date of Borrowing or fund its Participation Interest.

(e) *Funding Source*. Nothing herein shall be deemed to obligate any Lender to obtain the funds for any Loan in any particular place or manner or to constitute a representation by any Lender that it has obtained or will obtain the funds for any Loan in any particular place or manner.

(f) *Computations*. All computations of interest for Base Rate Loans (including Base Rate Loans determined by reference to the Eurodollar Rate) shall be made on the basis of a year of 365 or 366 days, as the case may be, and actual days elapsed. All computations of Commitment Fees and other computations of fees and interest shall be made on the basis of a 360-day year and actual days elapsed (which results in more fees or interest, as applicable, being paid than if computed on the basis of a 365-day year). Interest shall accrue on each Loan for the day on which Loan is made (or converted or continued), and shall not accrue on a Loan, or any portion thereof, for the day on which the Loan or such portion is paid, provided that any Loan that is repaid on the same day on which it is made (or continued or converted) shall, subject to subsection (a) above, bear interest for one day. Each determination by the Administrative Agent of an interest rate or fee hereunder shall be conclusive and binding for all purposes, absent manifest error.

Section 2.15 Increase in Commitments.

(a) *Increase in Commitments*. Any Borrower may by written notice to the Administrative Agent elect to add one or more incremental term loan facilities hereunder (each, an "Incremental Term Facility"; the commitments thereunder are referred to as "Incremental Term Loan Commitments" and loans pursuant thereto "Incremental Term Loans") and/or increase the Revolving Commitments (any such increase, an "Incremental Revolving Increase"; the commitments thereunder are referred to as "Incremental Revolving Commitments" and loans pursuant thereto "Incremental Revolving Loans"); the Incremental Term Facilities and the Incremental Revolving Increases are collectively referred to as "Incremental Facilities"); provided that the (1) total aggregate amount for all such Incremental Facilities after the Amendment No. 2 Effective Date (assuming, for the purposes of determining each of clauses (A) and (B), in the case of any Incremental Revolving Increase, the full amount thereof is drawn) shall not (as of any date of incurrence thereof) exceed the sum of (A) $~~450,000,000~~500,000,000 and (B) an amount such that, subject to Section 1.03(e), at the time of such incurrence and after giving effect thereto on a pro forma basis the Secured Leverage Ratio (calculated assuming (i) no proceeds of any such Incremental Facility shall be considered Unrestricted Cash and (ii) any amounts incurred under clause (A) concurrently with amounts incurred under clause (B) will not count as Indebtedness for the purposes of calculating the Secured Leverage Ratio in clause (B) at such time) is less than or equal to 3.00 to 1.00 and (2) the total aggregate amount for each Incremental Facility shall not be less than a minimum principal amount of $25,000,000 or, if less, the remaining amount permitted pursuant to the foregoing clause (1). Each such notice shall specify (x) the date (each, an "Increase Effective Date") on which such Borrower proposes that the Incremental Facility shall be effective, which shall be a date not less than five Business Days after the date on which such notice is delivered to the Administrative Agent and (y) the identity of each Eligible Assignee to whom such Borrower proposes any portion of such Incremental Facility be allocated and the amounts of such allocations; provided that any existing Lender approached to provide all or a portion of the Incremental Facility may elect or decline, in its sole discretion, to provide such portion of the Incremental Facility. Notwithstanding the foregoing, no such notice shall be required in connection with the Incremental Revolving Increase provided pursuant to Amendment No. 1.

(b) *Conditions*. The Incremental Facilities shall become effective, as of such Increase Effective Date; provided that:

(i) each of the conditions set forth in Sections 4.02(a) and (b) shall be satisfied;

(ii) subject to Section 1.03(d), no Default or Event of Default shall have occurred and be continuing or would result from the Borrowings to be made on the Increase Effective Date;

(iii) after giving effect to the making of any Loans pursuant to any Incremental Facilities, Parent shall be in compliance with the covenant set forth in Section 7.10 on a pro forma basis in accordance with Section 1.03(c) (and, if applicable, Section 1.03(e)); and

(iv) Parent shall deliver or cause to be delivered a certificate of a Responsible Officer demonstrating compliance with the foregoing conditions and in connection with any such transaction.

(c) *Terms of Incremental Facilities*. The terms and provisions of the Incremental Facilities shall be as follows:

(i) the Weighted Average Life to Maturity of any Incremental Term Loans shall be no shorter than the Weighted Average Life to Maturity of the existing Term Loans and the maturity date of Incremental Term Loans shall not be earlier than the Term Loan Maturity Date;

(ii) in the case of an Incremental Revolving Increase, the maturity date of such Incremental Revolving Increase shall be the Revolving Termination Date, such Incremental Revolving Increase shall require no scheduled amortization or mandatory commitment reduction (except as provided herein for all Revolving Commitments) and the Incremental Revolving Increase shall be on the exact same terms (other than pricing, as set forth in the Increase Joinder) and pursuant to the exact same documentation applicable to the existing Revolving Commitments (and Revolving Loans);

(iii) the Applicable Margins for the Incremental Loans shall be determined by the applicable Borrower and the Lenders of the Incremental Loans; and

(iv) any Incremental Term Loans, for purposes of prepayments, shall be treated substantially the same as (and in any event no more favorably than) the Term Loans and shall otherwise be on terms and pursuant to documentation as set forth in the Increase Joinder; provided that, to the extent such terms and documentation are not consistent with the existing Term Loans (except to the extent permitted by clause (i) or (ii) above), they shall be reasonably satisfactory to the Administrative Agent. No Incremental Revolving Loan shall mature prior to the Revolving Termination Date.

The Incremental Term Loan Commitments and the Incremental Revolving Commitments shall be effected by a joinder agreement (the "Increase Joinder") executed by the applicable Borrower, the Administrative Agent and each Lender making such Incremental Term Loan Commitment or Incremental Revolving Commitment, as applicable, in form attached hereto or otherwise in form and substance satisfactory to each of them. The Increase Joinder may, without the consent of any other Lenders, effect such amendments to this Agreement and the other Loan Documents as may be necessary or appropriate, in the opinion of the Administrative Agent, to effect the provisions of this Section ~~2.15~~2.15 (including changing the amortization schedule of existing Term Loans in a manner required to make the Incremental Term Loans fungible with such Term Loans). In addition, unless otherwise specifically provided herein or in the Increase Joinder, all references in Loan Documents to Term Loans shall be deemed, unless the context otherwise requires, to include references to Incremental Term Loans and unless otherwise specifically provided herein, all references in Loan Documents to Revolving Loans shall be deemed, unless the context otherwise requires, to include references to Incremental Revolving Loans and Incremental Revolving Commitments, respectively.

(d) *Incremental Revolving Increases*. On any Increase Effective Date on which an Incremental Revolving Increase is effective, the participations held by the Revolving Lenders in the L/C Obligations and Swing Line Loans immediately prior to such increase will be reallocated so as to be held by the Revolving Lenders ratably in accordance with their respective Applicable Percentages after giving effect to such Incremental Revolving Increase. If, on the date of an Incremental Revolving Increase, there are any Revolving Loans outstanding, the applicable Borrower shall prepay such Revolving Loans in accordance with this Agreement on the date of effectiveness of such Incremental Revolving Increase (but such Borrower may finance such prepayment with a concurrent borrowing of Revolving Loans from the Revolving Lenders in accordance with their Applicable Percentages after giving effect to such Incremental Revolving Increase).

(e) *Making of New Term Loans*. On any Increase Effective Date on which an Incremental Term Facility is effective, subject to the satisfaction of the foregoing terms and conditions, each Lender holding Incremental Term Loan Commitments shall make an Incremental Term Loan to the applicable Borrower in an amount equal to its Incremental Term Loan Commitment.

(f) *Equal and Ratable Benefit*. The Loans and Commitments established pursuant to this paragraph shall constitute Loans and Commitments under, and shall be entitled to all the benefits afforded by, this Agreement and the other Loan Documents, and shall, without limiting the foregoing, benefit equally and ratably from the Guaranty Agreement and security interests created by the Collateral Documents. The Loan Parties shall take any actions reasonably required by the Administrative Agent to ensure and/or demonstrate that the Lien and security interests granted by the Collateral Documents continue to be perfected under the UCC or otherwise after giving effect to the establishment of any such Class of Loans or any such new Commitments.

Section 2.16 Cash Collateral.

(a) *Obligation to Cash Collateralize*. Upon the request of the Administrative Agent or the applicable L/C Issuer (i) if the applicable L/C Issuer has honored any full or partial drawing under any Letter of Credit and such drawing has resulted in an L/C Disbursement or (ii) if, as of the date that is ten (10) Business Days prior to the Revolving Termination Date, any L/C Obligation for any reason remains outstanding or there are any L/C Borrowings outstanding or there are any outstanding Letters of Credit, or as otherwise required pursuant to Section 2.05, Section 2.09(c), Section 2.17 or Section 8.02, the applicable Borrower shall, in each case, immediately Cash Collateralize the then Outstanding Amount of all L/C Obligations in an amount not less than the Minimum Collateral Amount. At any time that there shall exist a Defaulting Lender, immediately upon the written request of the Administrative Agent or any applicable L/C Issuer or Swing Line Bank (in each case, with a copy to the Administrative Agent), the applicable Borrower shall Cash Collateralize all Fronting Exposure of such L/C Issuer or Swing Line Bank, as applicable, with respect to such Defaulting Lender (determined after giving effect to Section 2.17(a)(iv) and any Cash Collateral provided by such Defaulting Lender) in an amount not less than the Minimum Collateral Amount with respect thereto.

(b) *Grant of Security Interest*. All Cash Collateral (other than credit support not constituting funds subject to deposit) shall be maintained in blocked, non-interest bearing deposit accounts at the Collateral Agent. Each Borrower, and to the extent provided by any Lender, such Lender, hereby grants to (and subjects to the control of) the Collateral Agent, for the benefit of the Collateral Agent, the applicable L/C Issuers and the applicable Lenders (including the applicable Swing Line Lenders), and agrees to maintain, a first priority security interest in all such cash, deposit accounts and all balances therein, and all other property so provided as collateral pursuant hereto, and in all proceeds of the foregoing,

all as security for the obligations to which such Cash Collateral may be applied pursuant to Section 2.16(c). If at any time the Collateral Agent determines that Cash Collateral is subject to any right or claim of any Person other than the Collateral Agent as herein provided, or that the total amount of such Cash Collateral is less than the Minimum Collateral Amount, or, if applicable, the applicable Fronting Exposure and other obligations secured thereby, the applicable Borrower or the relevant Defaulting Lender will, promptly upon demand by the Collateral Agent, pay or provide to the Collateral Agent additional Cash Collateral in an amount sufficient to eliminate such deficiency.

(c) *Application*. Notwithstanding anything to the contrary contained in this Agreement, Cash Collateral provided under any of this Section 2.16 or Sections 2.05, 2.09(c), 2.17, 8.02 or otherwise in respect of Letters of Credit or Swing Line Loans shall be held and applied to the satisfaction of the specific L/C Obligations, Swing Line Loans, obligations to fund participations therein (including, as to Cash Collateral provided by a Defaulting Lender, any interest accrued on such obligation) and other obligations for which the Cash Collateral was so provided, prior to any other application of such property as may be provided for herein.

(d) *Release*. Cash Collateral (or the appropriate portion thereof) provided to reduce Fronting Exposure or other obligations shall be released promptly following (i) the elimination of the applicable Fronting Exposure or other obligations giving rise thereto (including by the termination of Defaulting Lender status of the applicable Lender (or, as appropriate, its assignee following compliance with Section 10.06(b)) or (ii) the determination by the Collateral Agent that there exists excess Cash Collateral; provided, however, (x) that Cash Collateral furnished by or on behalf of a Loan Party shall not be released during the continuance of a Default or Event of Default (and following application as provided in this Section 2.16 may be otherwise applied in accordance with Section 8.03), and (y) the Person providing Cash Collateral and the applicable L/C Issuer or Swing Line Lender, as applicable, may agree that Cash Collateral shall not be released but instead held to support future anticipated Fronting Exposure or other obligations.

Section 2.17 Defaulting Lenders.

(a) *Adjustments*. Notwithstanding anything to the contrary contained in this Agreement, if any Lender becomes a Defaulting Lender, then, until such time as that Lender is no longer a Defaulting Lender, to the extent permitted by applicable Law:

(i) *Waivers and Amendments*. That Defaulting Lender's right to approve or disapprove any amendment, waiver or consent with respect to this Agreement shall be restricted as set forth in Section 10.01.

(ii) *Reallocation of Payments*. Any payment of principal, interest, fees or other amounts received by the Administrative Agent for the account of such Defaulting Lender (whether voluntary or mandatory, at maturity, pursuant to Article VIII or otherwise or received by the Administrative Agent from such Defaulting Lender pursuant to Section 10.08) shall be applied at such time or times as may be determined by the Administrative Agent as follows:

FIRST, to the payment of any amounts owing by such Defaulting Lender to the Administrative Agent hereunder;

SECOND, to the payment on a pro rata basis of any amounts owing by such Defaulting Lender to the applicable L/C Issuer or Swing Line Lender hereunder;

THIRD, to Cash Collateralize the L/C Issuers' Fronting Exposure with respect to such Defaulting Lender in accordance with Section 2.16;

FOURTH, as the applicable Borrower may request (so long as no Default or Event of Default exists), to the funding of any Loan in respect of which that Defaulting Lender has failed to fund its portion thereof as required by this Agreement, as determined by the Administrative Agent;

FIFTH, if so determined by the Administrative Agent and the applicable Borrower, to be held in a deposit account and released pro rata in order to (x) satisfy such Defaulting Lender's potential future funding obligations with respect to Loans under this Agreement and (y) Cash Collateralize the L/C Issuers' future Fronting Exposure with respect to such Defaulting Lender with respect to future Letters of Credit issued under this Agreement, in accordance with Section 2.16;

SIXTH, to the payment of any amounts owing to the Lenders, the applicable L/C Issuer or applicable Swing Line Lender as a result of any judgment of a court of competent jurisdiction obtained by any Lender, the applicable L/C Issuer or applicable Swing Line Lender against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement;

SEVENTH, so long as no Default or Event of Default exists, to the payment of any amounts owing to the applicable Borrower as a result of any judgment of a court of competent jurisdiction obtained by the such Borrower against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; and

EIGHTH, to such Defaulting Lender or as otherwise directed by a court of competent jurisdiction;

provided that if (x) such payment is a payment of the principal amount of any Loans or L/C Borrowings in respect of which such Defaulting Lender has not fully funded its appropriate share and (y) such Loans or L/C Borrowings were made at a time when the conditions set forth in Section 4.02 were satisfied or waived, such payment shall be applied solely to pay the Loans of, and L/C Borrowings owed to, all non-Defaulting Lenders on a pro rata basis prior to being applied to the payment of any Loans of, or L/C Borrowings owed to, such Defaulting Lender. Any payments, prepayments or other amounts paid or payable to a Defaulting Lender that are applied (or held) to pay amounts owed by a Defaulting Lender or to post Cash Collateral pursuant to this Section 2.17(a)(ii) shall be deemed paid to and redirected by such Defaulting Lender, and each Lender irrevocably consents hereto.

(iii) *Certain Fees*. (x) No Defaulting Lender shall be entitled to receive any Commitment Fee payable pursuant to Section 2.11(a) for any period during which such Lender is a Defaulting Lender (and no Borrower shall be required to pay any such fee that otherwise would have been required to have been paid to such Defaulting Lender) and (y) each Defaulting Lender shall be limited in its right to receive Letter of Credit Fees as provided in Section 2.11(b).

(iv) *Reallocation of Participations to Reduce Fronting Exposure*. All or any part of such Defaulting Lender's participation in L/C Obligations and Swing Line Loans shall be reallocated among the non-Defaulting Lenders in accordance with their respective Revolving Commitment Percentages (calculated without regard to such Defaulting Lender's Commitment) but only to the extent that (x) the conditions set forth in Section 4.02 are satisfied at the time of such

reallocation (and, unless the applicable Borrower shall have otherwise notified the Administrative Agent at such time, such Borrower shall be deemed to have represented and warranted that such conditions are satisfied at such time), and (y) such reallocation does not cause the sum of, without duplication, the aggregate Outstanding Amount of the Revolving Loans of any non-Defaulting Lender, plus such Lender's Revolving Commitment Percentage of the Outstanding Amount of all L/C Obligations at such time, plus such Lender's Revolving Commitment Percentage of the Outstanding Amount of all Swing Line Loans at such time to exceed such Lender's Revolving Commitment. Subject to Section 10.17, no reallocation hereunder shall constitute a waiver or release of any claim of any party hereunder against a Defaulting Lender arising from such Lender having become a Defaulting Lender, including any claim of a non-Defaulting Lender as a result of such non-Defaulting Lender's increased exposure following such reallocation.

(b) *Defaulting Lender Cure*. If the Borrower, the Administrative Agent, each Swing Line Lender and each L/C Issuer agree in writing that a Defaulting Lender is no longer a Defaulting Lender, the Administrative Agent will so notify the parties hereto, whereupon as of the effective date specified in such notice and subject to any conditions set forth therein (which may include arrangements with respect to any Cash Collateral), such Lender will, to the extent applicable, purchase at par that portion of outstanding Loans of the other Lenders or take such other actions as the Administrative Agent may determine to be necessary to cause the Loans and funded and unfunded participations in Letters of Credit and Swing Line Loans to be held on a pro rata basis by the Lenders in accordance with their Applicable Percentages (without giving effect to Section 2.17), whereupon such Lender will cease to be a Defaulting Lender; provided that no adjustments will be made retroactively with respect to fees accrued or payments made by or on behalf of the applicable Borrower while such Lender was a Defaulting Lender; and provided, further, that except to the extent otherwise expressly agreed by the affected parties, no change hereunder from Defaulting Lender to Lender will constitute a waiver or release of any claim of any party hereunder arising from such Lender's having been a Defaulting Lender.

(c) *New Swing Line Loans and Letters of Credit*. So long as any Revolving Lender is a Defaulting Lender, (i) no Swing Line Lender shall be required to fund any Swing Line Loans unless it is satisfied that it will have no Fronting Exposure after giving effect to such Swing Line Loan and (ii) no L/C Issuer shall be required to issue, extend or amend any Letter of Credit unless it is satisfied that it will have no Fronting Exposure after giving effect thereto.

Section 2.18 Refinancing Amendments.

(a) At any time after the Closing Date, a Borrower may obtain, from any Lender or any Eligible Assignee, Credit Agreement Refinancing Indebtedness in respect of (a) all or any portion of the Term Loans and Incremental Term Loans then outstanding under this Agreement (which for purposes of this clause (a) will be deemed to include any then outstanding Other Term Loans) or (b) all or any portion of the Revolving Loans (or unused Revolving Commitments) and Incremental Revolving Loans (or unused Incremental Revolving Commitments) under this Agreement (which for purposes of this clause (b) will be deemed to include any then outstanding Other Revolving Loans and Other Revolving Commitments), in the form of (x) Other Term Loans or Other Term Commitments or (y) Other Revolving Loans or Other Revolving Commitments, as the case may be, in each case pursuant to a Refinancing Amendment; provided that such Credit Agreement Refinancing Indebtedness will rank pari passu in right of payment and of security with the other Loans and Commitments hereunder. The effectiveness of any Refinancing Amendment shall be subject to the satisfaction on the date thereof of each of the conditions set forth in Section 4.02 and, to the extent reasonably requested by the Administrative Agent, receipt by the Administrative Agent of legal opinions, board resolutions, officers' certificates and/or reaffirmation agreements consistent with those delivered on the Closing Date under Section 4.01 (other than changes to

such legal opinions resulting from a change in law, change in fact or change to counsel's form of opinion and such other changes as are reasonably satisfactory to the Administrative Agent). Each Class of Credit Agreement Refinancing Indebtedness incurred under this Section 2.18 shall be in an aggregate principal amount that is (x) (A) not less than $25,000,000 in the case of Other Term Loans or $10,000,000 in the case of Other Revolving Loans and (B) an integral multiple of $1,000,000 in excess thereof or (y) such other amount as shall represent a refinancing of a Class of Loans in its entirety. Any Refinancing Amendment may, with the consent of the applicable L/C Issuers and Swing Line Lender, provide for the issuance of Letters of Credit for the account of the applicable Borrower, or the provision to such Borrower of Swing Line Loans, pursuant to any Other Revolving Commitments established thereby, in each case on terms substantially equivalent to the terms applicable to Letters of Credit and Swing Line Loans under the Revolving Commitments. The Administrative Agent shall promptly notify each Lender as to the effectiveness of each Refinancing Amendment. Each of the parties hereto hereby agrees that, upon the effectiveness of any Refinancing Amendment, this Agreement shall be deemed amended to the extent (but only to the extent) necessary to reflect the existence and terms of the Credit Agreement Refinancing Indebtedness incurred pursuant thereto (including any amendments necessary to treat the Loans and Commitments subject thereto as Other Term Loans, Other Revolving Loans, Other Revolving Commitments and/or Other Term Commitments). Any Refinancing Amendment may, without the consent of any other Lenders, effect such amendments to this Agreement and the other Loan Documents as may be necessary or appropriate, in the reasonable opinion of the Administrative Agent and each applicable Borrower, to effect the provisions of this Section. In addition, if so provided in the relevant Refinancing Amendment and with the consent of each L/C Issuer, participations in Letters of Credit expiring on or after the Revolving Termination Date shall be reallocated from Lenders holding Revolving Commitments to Lenders holding extended revolving commitments in accordance with the terms of such Refinancing Amendment; provided, however, that such Participation Interests shall, upon receipt thereof by the relevant Lenders holding Other Revolving Commitments, be deemed to be Participation Interests in respect of such Other Revolving Commitments and the terms of such Participation Interests (including, without limitation, the commission applicable thereto) shall be adjusted accordingly.

(b) This Section 2.18 shall supersede any provisions in Section 2.12 or Section 10.01 to the contrary.

Section 2.19 Discounted Prepayments. Notwithstanding anything in any Loan Document to the contrary, Parent or any of its Subsidiaries may prepay the outstanding Term Loans on the following basis:

(a) Parent or any of its Subsidiaries shall have the right to make a voluntary prepayment of any Term Loans at a discount to par (such prepayment, a "Discounted Term Loan Prepayment") pursuant to an Offer of Specified Discount Prepayment, Solicitation of Discount Range Prepayment Offers or Solicitation of Discounted Prepayment Offers, in each case made in accordance with this Section 2.19; provided that (i) Parent shall not make any Borrowing of Revolving Loans to fund any Discounted Term Loan Prepayment, (ii) any Term Loans purchased are immediately cancelled, (iii) Parent or any Subsidiary, as applicable, does not have any material non-public information ("MNPI") with respect to Parent or any of its Subsidiaries that (a) has not been disclosed to the Lenders (other than Lenders that do not wish to receive MNPI with respect to Parent or any of its Subsidiaries) prior to such time and (b) could reasonably be expected to have a material effect upon, or otherwise be material to a Lender's decision to participate in any Discounted Term Loan Prepayment, and (iv) as of the date Parent or its Subsidiary provides a Specified Discount Prepayment Notice, Discount Range Prepayment Notice or Solicited Discounted Prepayment Notice, no Default or Event of Default shall have occurred and be continuing.

(b) (i) Subject to the proviso to subsection (a) above, Parent or any of its Subsidiaries may from time to time offer to make an Offer of Specified Discount Prepayment by providing the Auction Agent with three (3) Business Days' notice in the form of a Specified Discount Prepayment Notice; provided that (w) any such offer shall be made available, at the sole discretion of Parent or its Subsidiary, to each Term Lender with respect to any Class of Term Loans on an individual Class basis, (x) any such offer shall specify the aggregate principal amount offered to be prepaid (the "Specified Discount Prepayment Amount") with respect to each applicable Class, the Class or Classes of Term Loans subject to such offer and the specific percentage discount to par (the "Specified Discount") of such Term Loans to be prepaid (it being understood that different Specified Discounts and/or Specified Discount Prepayment Amounts may be offered with respect to different Classes of Term Loans and, in such an event, each such offer will be treated as a separate offer pursuant to the terms of this Section), (y) the Specified Discount Prepayment Amount shall be in an aggregate amount not less than $5,000,000 and whole increments of $1,000,000 in excess thereof and (z) each such offer shall remain outstanding through the Specified Discount Prepayment Response Date. The Auction Agent will promptly provide each relevant Term Lender with a copy of such Specified Discount Prepayment Notice and a form of the Specified Discount Prepayment Response to be completed and returned by each such Lender to the Auction Agent (or its delegate) by no later than 5:00 P.M., New York time, on the third Business Day after the date of delivery of such notice to the relevant Term Lenders (the "Specified Discount Prepayment Response Date").

(ii) Each relevant Term Lender receiving such offer shall notify the Auction Agent (or its delegate) by the Specified Discount Prepayment Response Date whether or not it agrees to accept a prepayment of any of its relevant then outstanding Term Loans at the Specified Discount and, if so (such accepting Term Lender, a "Discount Prepayment Accepting Lender"), the amount and the Class or Classes of such Lender's Term Loans to be prepaid at such offered discount. Each acceptance of a Discounted Term Loan Prepayment by a Discount Prepayment Accepting Lender shall be irrevocable. Any Term Lender whose Specified Discount Prepayment Response is not received by the Auction Agent by the Specified Discount Prepayment Response Date shall be deemed to have declined to accept the applicable Offer of Specified Discount Prepayment.

(iii) If there is at least one Discount Prepayment Accepting Lender, Parent or its Subsidiary, as applicable, will make prepayment of outstanding Term Loans pursuant to this paragraph (b) to each Discount Prepayment Accepting Lender in accordance with the respective outstanding amount and Class of Term Loans specified in such Lender's Specified Discount Prepayment Response given pursuant to subsection (ii); provided that, if the aggregate principal amount of Term Loans accepted for prepayment by all Discount Prepayment Accepting Lenders exceeds the Specified Discount Prepayment Amount, such prepayment shall be made pro rata among the Discount Prepayment Accepting Lenders in accordance with the respective principal amounts accepted to be prepaid by each such Discount Prepayment Accepting Lender and the Auction Agent (in consultation with Parent or its Subsidiary, as applicable, and subject to rounding requirements of the Auction Agent made in its reasonable discretion) will calculate such proration (the "Specified Discount Proration"). The Auction Agent shall promptly, and in any case within three (3) Business Days following the Specified Discount Prepayment Response Date, notify (x) the applicable Borrower or its Subsidiary, as applicable, of the respective Term Lenders' responses to such offer, the Discounted Prepayment Effective Date and the aggregate principal amount of the Discounted Term Loan Prepayment and the Classes to be prepaid, (y) each Term Lender of the Discounted Prepayment Effective Date, and the aggregate principal amount and the Classes of Term Loans to be prepaid at the Specified Discount on such date and (z) each Discount Prepayment Accepting Lender of the Specified Discount Proration, if any, and confirmation of the principal

amount and Class of Term Loans of such Lender to be prepaid at the Specified Discount on such date. Each determination by the Auction Agent of the amounts stated in the foregoing notices to Parent or its Subsidiary, as applicable, and Term Lenders shall be conclusive and binding for all purposes absent manifest error. The payment amount specified in such notice to Parent or its Subsidiary shall be due and payable by Parent or its Subsidiary, as applicable, on the Discounted Prepayment Effective Date in accordance with subsection (f) below (subject to subsection (j) below).

(c) (i) Subject to the proviso to subsection (a) above, Parent or any of its Subsidiaries may from time to time solicit Discount Range Prepayment Offers by providing the Auction Agent with three (3) Business Days' notice in the form of a Discount Range Prepayment Notice; provided that (w) any such solicitation shall be extended, at the sole discretion of Parent or its Subsidiary, as applicable, to each Term Lender with respect to any Class of Term Loans on an individual Class basis, (x) any such notice shall specify the maximum aggregate principal amount of the relevant Term Loans (the "Discount Range Prepayment Amount"), the Class or Classes of Term Loans subject to such offer and the maximum and minimum percentage discounts to par (the "Discount Range") of the principal amount of such Term Loans with respect to each relevant Class of Term Loans willing to be prepaid by Parent or its Subsidiary (it being understood that different Discount Ranges and/or Discount Range Prepayment Amounts may be offered with respect to different Classes of Term Loans and, in such an event, each such offer will be treated as a separate offer pursuant to the terms of this Section), (y) the Discount Range Prepayment Amount shall be in an aggregate amount not less than $5,000,000 and whole increments of $1,000,000 in excess thereof and (z) each such solicitation by Parent or its Subsidiaries shall remain outstanding through the Discount Range Prepayment Response Date. The Auction Agent will promptly provide each relevant Term Lender with a copy of such Discount Range Prepayment Notice and a form of the Discount Range Prepayment Offer to be submitted by a responding relevant Term Lender to the Auction Agent (or its delegate) by no later than 5:00 P.M., New York time, on the third Business Day after the date of delivery of such notice to the relevant Term Lenders (the "Discount Range Prepayment Response Date"). Each relevant Term Lender's Discount Range Prepayment Offer shall be irrevocable and shall specify a discount to par within the Discount Range (the "Submitted Discount") at which such Term Lender is willing to allow prepayment of any or all of its then outstanding Term Loans of the applicable Class or Classes and the maximum aggregate principal amount and Classes of such Lender's Term Loans (the "Submitted Amount") such Lender is willing to have prepaid at the Submitted Discount. Any Term Lender whose Discount Range Prepayment Offer is not received by the Auction Agent by the Discount Range Prepayment Response Date shall be deemed to have declined to accept a Discounted Term Loan Prepayment of any of its Term Loans at any discount to their par value within the Discount Range.

(ii) Auction Agent shall review all Discount Range Prepayment Offers received on or before the applicable Discount Range Prepayment Response Date and shall determine (in consultation with Parent or its Subsidiary, as applicable, and subject to rounding requirements of the Auction Agent made in its sole reasonable discretion) the Applicable Discount and Term Loans to be prepaid at such Applicable Discount in accordance with this subsection (c). Parent or its Subsidiary, as applicable, agrees to accept on the Discount Range Prepayment Response Date all Discount Range Prepayment Offers received by Auction Agent by the Discount Range Prepayment Response Date, in the order from the Submitted Discount that is the largest discount to par to the Submitted Discount that is the smallest discount to par, up to and including the Submitted Discount that is the smallest discount to par within the Discount Range (such Submitted Discount that is the smallest discount to par within the Discount Range being referred to as the "Applicable Discount") which yields a Discounted Term Loan Prepayment in an aggregate principal amount equal to the

lower of (x) the Discount Range Prepayment Amount and (y) the sum of all Submitted Amounts. Each Term Lender that has submitted a Discount Range Prepayment Offer to accept prepayment at a discount to par that is larger than or equal to the Applicable Discount shall be deemed to have irrevocably consented to prepayment of Term Loans equal to its Submitted Amount (subject to any required proration pursuant to the following subsection (iii)) at the Applicable Discount (each such Lender, a "Participating Lender").

(iii) If there is at least one Participating Lender, Parent or its Subsidiary, as applicable, will prepay the respective outstanding Term Loans of each Participating Lender in the aggregate principal amount and of the Classes specified in such Lender's Discount Range Prepayment Offer at the Applicable Discount; provided that if the Submitted Amount by all Participating Lenders offered at a discount to par greater than the Applicable Discount exceeds the Discount Range Prepayment Amount, prepayment of the principal amount of the relevant Term Loans for those Participating Lenders whose Submitted Discount is a discount to par greater than or equal to the Applicable Discount (the "Identified Participating Lenders") shall be made pro rata among the Identified Participating Lenders in accordance with the Submitted Amount of each such Identified Participating Lender and the Auction Agent (in consultation with the applicable Borrower or its Subsidiary, as applicable, and subject to rounding requirements of the Auction Agent made in its sole reasonable discretion) will calculate such proration (the "Discount Range Proration"). The Auction Agent shall promptly, and in any case within five (5) Business Days following the Discount Range Prepayment Response Date, notify (w) Parent or its Subsidiary, as applicable, of the respective Term Lenders' responses to such solicitation, the Discounted Prepayment Effective Date, the Applicable Discount, and the aggregate principal amount of the Discounted Term Loan Prepayment and the Classes to be prepaid, (x) each Term Lender of the Discounted Prepayment Effective Date, the Applicable Discount, and the aggregate principal amount and Classes of Term Loans to be prepaid at the Applicable Discount on such date, (y) each Participating Lender of the aggregate principal amount and Classes of such Lender to be prepaid at the Applicable Discount on such date, and (z) if applicable, each Identified Participating Lender of the Discount Range Proration. Each determination by the Auction Agent of the amounts stated in the foregoing notices to Parent or its Subsidiary, as applicable, and Lenders shall be conclusive and binding for all purposes absent manifest error. The payment amount specified in such notice to Parent or its Subsidiary, as applicable, shall be due and payable by Parent or its Subsidiary, as applicable, on the Discounted Prepayment Effective Date in accordance with subsection (f) below (subject to subsection (j) below).

(d) (i) Subject to the proviso to subsection (a) above, Parent or any of its Subsidiaries may from time to time solicit Solicited Discounted Prepayment Offers by providing the Auction Agent with three (3) Business Days' notice in the form of a Solicited Discounted Prepayment Notice; provided that (w) any such solicitation shall be extended, at the sole discretion of Parent or its Subsidiary, as applicable, to each Term Lender with respect to any Class of Term Loans on an individual Class basis, (x) any such notice shall specify the maximum aggregate principal amount of the Term Loans (the "Solicited Discounted Prepayment Amount") and the Class or Classes of Term Loans Parent or its Subsidiary, as applicable, is willing to prepay at a discount (it being understood that different Solicited Discounted Prepayment Amounts may be offered with respect to different Classes of Term Loans and, in such an event, each such offer will be treated as a separate offer pursuant to the terms of this Section), (y) the Solicited Discounted Prepayment Amount shall be in an aggregate amount not less than $5,000,000 and whole increments of $1,000,000 in excess thereof and (z) each such solicitation by Parent or its Subsidiary, as applicable, shall remain outstanding through the Solicited Discounted Prepayment Response Date. The Auction Agent will promptly provide each relevant Term Lender with a copy of such Solicited

Discounted Prepayment Notice and a form of the Solicited Discounted Prepayment Offer to be submitted by a responding Term Lender to the Auction Agent (or its delegate) by no later than 5:00 P.M., New York time on the third Business Day after the date of delivery of such notice to the relevant Term Lenders (the "Solicited Discounted Prepayment Response Date"). Each Term Lender's Solicited Discounted Prepayment Offer shall (x) be irrevocable, (y) remain outstanding until the Acceptance Date, and (z) specify both a discount to par (the "Offered Discount") at which such Term Lender is willing to allow prepayment of its then outstanding Term Loan and the maximum aggregate principal amount and Classes of such Term Loans (the "Offered Amount") such Lender is willing to have prepaid at the Offered Discount. Any Term Lender whose Solicited Discounted Prepayment Offer is not received by the Auction Agent by the Solicited Discounted Prepayment Response Date shall be deemed to have declined prepayment of any of its Term Loans at any discount.

(ii) The Auction Agent shall promptly provide Parent or its Subsidiary, as applicable, with a copy of all Solicited Discounted Prepayment Offers received on or before the Solicited Discounted Prepayment Response Date. Parent or its Subsidiary, as applicable, shall review all such Solicited Discounted Prepayment Offers and select the largest of the Offered Discounts specified by the relevant responding Term Lenders in the Solicited Discounted Prepayment Offers that is acceptable to Parent or its Subsidiary, as applicable, (the "Acceptable Discount"), if any. If Parent or its Subsidiary, as applicable elects to accept any Offered Discount as the Acceptable Discount, then as soon as practicable after the determination of the Acceptable Discount, but in no event later than by the third Business Day after the date of receipt by Parent or its Subsidiary, as applicable, from the Auction Agent of a copy of all Solicited Discounted Prepayment Offers pursuant to the first sentence of this subsection (ii) (the "Acceptance Date"), Parent or its Subsidiary, as applicable, shall submit an Acceptance and Prepayment Notice to the Auction Agent setting forth the Acceptable Discount. If the Auction Agent shall fail to receive an Acceptance and Prepayment Notice from Parent or its Subsidiary, as applicable, by the Acceptance Date, Parent or its Subsidiary, as applicable, shall be deemed to have rejected all Solicited Discounted Prepayment Offers.

(iii) Based upon the Acceptable Discount and the Solicited Discounted Prepayment Offers received by Auction Agent by the Solicited Discounted Prepayment Response Date, within three (3) Business Days after receipt of an Acceptance and Prepayment Notice (the "Discounted Prepayment Determination Date"), the Auction Agent will determine (in consultation with Parent or its Subsidiary, as applicable, and subject to rounding requirements of the Auction Agent made in its sole reasonable discretion) the aggregate principal amount and the Classes of Term Loans (the "Acceptable Prepayment Amount") to be prepaid by Parent or its Subsidiary, as applicable, at the Acceptable Discount in accordance with this Section 2.19(d). If Parent or its Subsidiary, as applicable, elects to accept any Acceptable Discount, then Parent or its Subsidiary, as applicable, agrees to accept all Solicited Discounted Prepayment Offers received by Auction Agent by the Solicited Discounted Prepayment Response Date, in the order from largest Offered Discount to smallest Offered Discount, up to and including the Acceptable Discount. Each Term Lender that has submitted a Solicited Discounted Prepayment Offer with an Offered Discount that is greater than or equal to the Acceptable Discount shall be deemed to have irrevocably consented to prepayment of Term Loans equal to its Offered Amount (subject to any required pro rata reduction pursuant to the following sentence) at the Acceptable Discount (each such Lender, a "Qualifying Lender"). Parent or its Subsidiary, as applicable, will prepay outstanding Term Loans pursuant to this subsection (d) to each Qualifying Lender in the aggregate principal amount and of the Classes specified in such Lender's Solicited Discounted Prepayment Offer at the Acceptable Discount; provided that if the aggregate Offered Amount by all Qualifying Lenders whose Offered Discount

is greater than or equal to the Acceptable Discount exceeds the Solicited Discounted Prepayment Amount, prepayment of the principal amount of the Term Loans for those Qualifying Lenders whose Offered Discount is greater than or equal to the Acceptable Discount (the "Identified Qualifying Lenders") shall be made pro rata among the Identified Qualifying Lenders in accordance with the Offered Amount of each such Identified Qualifying Lender and the Auction Agent (in consultation with Parent or its Subsidiary, as applicable, and subject to rounding requirements of the Auction Agent made in its sole reasonable discretion) will calculate such proration (the "Solicited Discount Proration"). On or prior to the Discounted Prepayment Determination Date, the Auction Agent shall promptly notify (w) Parent or its Subsidiary, as applicable, of the Discounted Prepayment Effective Date and Acceptable Prepayment Amount comprising the Discounted Term Loan Prepayment and the Classes to be prepaid, (x) each Term Lender of the Discounted Prepayment Effective Date, the Acceptable Discount, and the Acceptable Prepayment Amount of all Term Loans and the Classes to be prepaid to be prepaid at the Applicable Discount on such date, (y) each Qualifying Lender of the aggregate principal amount and the Classes of such Lender to be prepaid at the Acceptable Discount on such date, and (z) if applicable, each Identified Qualifying Lender of the Solicited Discount Proration. Each determination by the Auction Agent of the amounts stated in the foregoing notices to Parent or its Subsidiary, as applicable, and Lenders shall be conclusive and binding for all purposes absent manifest error. The payment amount specified in such notice to Parent or its Subsidiary, as applicable, shall be due and payable by Parent or its Subsidiary, as applicable, on the Discounted Prepayment Effective Date in accordance with subsection (f) below (subject to subsection (j) below).

(e) In connection with any Discounted Term Loan Prepayment, Parent and the Lenders acknowledge and agree that the Auction Agent may require as a condition to any Discounted Term Loan Prepayment, the payment of customary fees and expenses by the Borrowers in connection therewith.

(f) If any Term Loan is prepaid in accordance with paragraphs (b) through (d) above, Parent or its Subsidiary, as applicable, shall prepay such Term Loans on the Discounted Prepayment Effective Date. Parent or its Subsidiary, as applicable shall make such prepayment to the Administrative Agent, for the account of the Discount Prepayment Accepting Lenders, Participating Lenders, or Qualifying Lenders, as applicable, at the Administrative Agent's Office in the applicable currency and in immediately available funds not later than 11:00 A.M. (New York time) on the Discounted Prepayment Effective Date. The Term Loans so prepaid shall be accompanied by all accrued and unpaid interest on the par principal amount so prepaid up to, but not including, the Discounted Prepayment Effective Date. Each prepayment of the outstanding Term Loans pursuant to this Section 2.19 shall be paid to the Discount Prepayment Accepting Lenders, Participating Lenders, Identified Participating Lenders, Qualifying Lenders or Identified Qualifying Lenders, as applicable. The aggregate principal amount of the Classes and installments of the relevant Term Loans outstanding shall be deemed reduced by the full par value of the aggregate principal amount of the Classes of Term Loans prepaid on the Discounted Prepayment Effective Date in any Discounted Term Loan Prepayment.

(g) To the extent not expressly provided for herein, each Discounted Term Loan Prepayment shall be consummated pursuant to procedures consistent, with the provisions in this Section 2.19, established by the Auction Agent acting in its reasonable discretion and as reasonably agreed by Parent or its Subsidiary, as applicable.

(h) Notwithstanding anything in any Loan Document to the contrary, for purposes of this Section 2.19, each notice or other communication required to be delivered or otherwise provided to the Auction Agent (or its delegate) shall be deemed to have been given upon Auction Agent's (or its delegate's) actual receipt during normal business hours of such notice or communication; provided that any notice or communication actually received outside of normal business hours shall be deemed to have been given as of the opening of business on the next Business Day.

(i) Each of the Borrower and the Term Lenders acknowledges and agrees that the Auction Agent may perform any and all of its duties under this Section 2.19 by itself or through any Affiliate of the Auction Agent and expressly consents to any such delegation of duties by the Auction Agent to such Affiliate and the performance of such delegated duties by such Affiliate. The exculpatory provisions pursuant to this Agreement shall apply to each Affiliate of the Auction Agent and its respective activities in connection with any Discounted Term Loan Prepayment provided for in this Section 2.19 as well as activities of the Auction Agent.

(j) Parent or its Subsidiary, as applicable, shall have the right, by written notice to the Auction Agent, to revoke in full (but not in part) its offer to make a Discounted Term Loan Prepayment and rescind the applicable Specified Discount Prepayment Notice, Discount Range Prepayment Notice or Solicited Discounted Prepayment Notice therefor (A) at its discretion at any time on or prior to the applicable Specified Discount Prepayment Response Date, Discount Range Prepayment Response Date or Solicited Discounted Prepayment Response Date, as applicable or (B) if, as of such time, any condition set forth in Section 2.19(a) ceases to be met prior to the making of such Discounted Term Loan Prepayment and, in each case, such offer is revoked pursuant to the preceding clauses (A) or (B), any failure by Parent or its Subsidiary, as applicable, to make any prepayment to a Term Lender, as applicable, pursuant to this Section 2.19 shall not constitute a Default or Event of Default under Section 8.01 or otherwise.

ARTICLE III.

TAXES, YIELD PROTECTION AND ILLEGALITY

Section 3.01 Taxes.

(a) *Payments Free of Taxes*. Any and all payments by or on account of any Loan Party under any Loan Document shall be made free and clear of, and without deduction or withholding for or on account of, any Taxes, unless otherwise required by law. If any applicable withholding agent shall be required by law to withhold any Taxes from or in respect of any sum payable under any Loan Document to any Lender Party or any Agent, (i) the applicable withholding agent shall make all such deductions, (ii) the applicable withholding agent shall timely pay the full amount deducted to the relevant Governmental Authority in accordance with applicable law, and (iii) to the extent the deduction is on account of Indemnified Taxes or Other Taxes, the amounts so payable by the applicable Loan Party shall be increased as may be necessary so that, after such withholding agent has made all required deductions of Indemnified Taxes and Other Taxes (including deductions applicable to additional sums payable under this Section 3.01), such Lender Party (or, in the case of any amount received by an Agent for its own account, such Agent) shall have received an amount equal to the sum it would have received had no such deductions been made.

(b) *Payment of Other Taxes by each Borrower*. Without limiting the provisions of paragraph (a) above, each Borrower shall timely pay any Other Taxes to the relevant Governmental Authority in accordance with applicable law.

(c) *Evidence of Payments*. Within 30 days after the date of any payment of Indemnified Taxes or Other Taxes by a Loan Party to a Governmental Authority, such Loan Party shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment.

(d) *Indemnification by each Borrower*. Each Borrower shall indemnify each Agent and each Lender Party for and hold them harmless against the full amount of Indemnified Taxes payable in connection with any payments made by or on account of any Loan Party under any Loan Document and Other Taxes (including Indemnified Taxes or Other Taxes imposed or asserted on or attributable to amounts payable under this Section 3.01), and any reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes or Other Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. This indemnification shall be made within 10 days after written demand therefor. A certificate as to the amount of such payment or liability delivered to the applicable Borrower by a Lender Party (with a copy to the Administrative Agent), or by an Agent on its own behalf, shall be conclusive absent manifest error.

(e) *Treatment of Refunds*. If the Administrative Agent or any Lender Party determines, in its reasonable discretion, that it has received a refund (in cash or as an offset against other Taxes otherwise due and payable) of any Indemnified Taxes or Other Taxes as to which it has been indemnified by any Loan Party or with respect to which any Loan Party has paid additional amounts pursuant to this Section 3.01, it shall pay to the applicable Borrower an amount equal to such refund (but only to the extent of indemnity payments made, or additional amount paid, by the Loan Party under this Section 3.01 with respect to the Indemnified Taxes or Other Taxes giving rise to such refund), net of all reasonable out-of-pocket expenses (including Taxes) of the Administrative Agent or such Lender Party, attributable to such refund and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund), provided that the Loan Party, upon the request of the Administrative Agent or such Lender Party, agrees to repay the amount paid over to the applicable Borrower (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) to the Administrative Agent or such Lender Party in the event the Administrative Agent or such Lender Party is required to repay such amount to such Governmental Authority. This paragraph shall not be construed to require the Administrative Agent or any Lender Party to make available its Tax returns (or any other information relating to its Taxes that it deems confidential) to any Loan Party or any other Person.

(f) *Status of Lenders*.

(i). Each Lender Party that is entitled to an exemption from or reduction of any applicable withholding Tax with respect to payments made under any Loan Document shall deliver to the applicable Borrower and the Administrative Agent, at the time or times prescribed by law or reasonably requested by the applicable Borrower or the Administrative Agent, such properly completed and executed documentation reasonably requested by the applicable Borrower or the Administrative Agent as will permit such payments to be made without withholding or at a reduced rate of withholding. Each Lender Party shall, whenever a lapse in time or change in circumstances renders such documentation (including any specific documents required below in this Section 3.01(f)) obsolete, expired or inaccurate in any material respect, deliver promptly to the applicable Borrower and the Administrative Agent updated or other appropriate documentation (including any new documentation reasonably requested by the applicable

Borrower or the Administrative Agent) or promptly notify the applicable Borrower and the Administrative Agent in writing of its inability to do so.

(ii). Without limiting the generality of the foregoing any Lender Party shall, if it is legally eligible to do so (or, with respect to any Loan to any Irish Borrower, if it would be legally eligible to do so if it were to make a Loan to the U.S. Borrower), deliver to the U.S. Borrower and the Administrative Agent on or prior to the date on which such Lender Party becomes a party hereto, two duly completed and executed copies of whichever of the following is applicable:

(A) in the case of a Lender Party that is a United States Person, IRS Form W-9 certifying that such Lender Party is exempt from U.S. federal backup withholding; and

(B) in the case of a Non-U.S. Lender eligible to claim the benefits of an income tax treaty to which the United States is a party, IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable, establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to such tax treaty;

(C) in the case of a Non-U.S. Lender eligible to claim an exemption from U.S. federal withholding Taxes for income that is effectively connected with a U.S. trade or business, executed originals of IRS Form W-8ECI;

(D) in the case of a Non-U.S. Lender eligible to claim the benefits of the exemption for portfolio interest under Section 881(c) of the Code, (x) a certificate substantially in the form of Exhibit F-1 (any such certificate, a "U.S. Tax Compliance Certificate") and (y) IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable;

(E) to the extent that a Non-U.S. Lender is not the beneficial owner (for example, where the Non-U.S. Lender is a partnership or participating Lender), IRS Form W-8IMY of the Non-U.S. Lender, accompanied by IRS Form W-8ECI, IRS Form W-8BEN, IRS Form W-8BEN-E, U.S. Tax Compliance Certificate, IRS Form W-9, and/or other certification documents from each beneficial owner that would be required under this Section 3.01(f) if such beneficial owner were a Lender, as applicable; provided that if the Non-U.S. Lender is a partnership (and not a participant Lender) and one or more beneficial owners are claiming the portfolio interest exemption, such Non-U.S. Lender may provide a U.S. Tax Compliance Certificate on behalf of such beneficial owners; or

(F) any other form prescribed by applicable law as a basis for claiming exemption from or a reduction in U.S. federal withholding Taxes, together with such supplementary documentation as may be prescribed by applicable law to permit the U.S. Borrower or the Administrative Agent to reasonably determine the withholding or deduction required to be made.

(iii). If a payment made to a Lender Party under any Loan Document would be subject to U.S. federal withholding Tax imposed under FATCA if the Lender Party were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Lender Party shall deliver to the Administrative Agent and the U.S. Borrower at the time or times prescribed by law, and at such other time or times reasonably requested by the Administrative Agent or the U.S. Borrower, the documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by the Administrative Agent or the U.S. Borrower as may be necessary for the Administrative Agent or the U.S. Borrower to comply with its obligations under FATCA and to determine whether the Lender Party has complied with the Lender Party obligations under FATCA, or to determine the amount

to deduct and withhold from the payment. Solely for purposes of this clause (iii), "FATCA" shall include any amendments made to FATCA after the date of this Agreement.

(iv) Each Lender Party hereby authorizes the Administrative Agent to deliver to the Loan Parties and to any successor Administrative Agent any documentation provided by such Lender Party to the Administrative Agent pursuant to this Section 3.01(f).

(v) Each Lender Party shall, on or before the date it becomes a party hereto, inform the Lead Borrower whether it is an Irish Qualifying Lender by completing and providing to the Lead Borrower a certificate substantially in the form of Exhibit F-2 (any such certificate, an "Irish Lender Tax Certificate"). Any such Lender shall also promptly notify the Lead Borrower if it subsequently ceases to be an Irish Qualifying Lender or subsequently becomes an Irish Qualifying Lender.

(vi) If a Lender Party with respect to a Loan to an Irish Borrower fails to provide the Lead Borrower with a completed Irish Lender Tax Certificate in accordance with Section 3.01(f)(v) then such Lender shall be treated for purposes of this Agreement as if it was not an Irish Qualifying Lender until such time as it provides the Lead Borrower with a completed Irish Qualifying Lender Certificate.

(vii) Notwithstanding anything to the contrary in any Loan Document (but subject to the proviso in this Section 3.01(f)(vii), no Irish Borrower shall be required to make an increased payment to a Lender Party under this Section 3.01 or any Loan Document for any Tax Deduction imposed under the laws of Ireland from a payment of interest by any Irish Borrower under a Loan Document if (i) on the date on which the payment falls due the payment could have been made to the relevant Lender Party without a Tax Deduction if the Lender Party was an Irish Qualifying Lender but, on that date, the Lender Party is not or has ceased to be an Irish Qualifying Lender other than as a result of any change after the date it became a Lender Party under a Loan Document in (or in the interpretation, administration, or application of) any law or Treaty, or any published practice or concession of any relevant tax authority, or (ii) the relevant Lender Party is a Treaty Lender and the applicable Irish Borrower is able to demonstrate that the payment could have been made to the Lender Party without the Tax Deduction had the Treaty Lender complied with its obligations under Section 3.01(f)(ix); provided, however, that (A) if a Lender Party assigns or transfers any of its rights or obligations under the Loan Documents to an assignee Lender Party (or designates a new Lending Office), and at the date of such assignment or transfer (or designation of a new Lending Office) an Irish Borrower would be obliged to make an increased payment to such assignor Lender Party under Section 3.01(a), then such assignee Lender Party shall be entitled to receive increased payments under Section 3.01(a) from such Irish Borrower to the same extent such assignor Lender Party would have been entitled to if the assignment or transfer (or designation of new Lending Office) had not occurred; (B) the applicable Irish Borrower shall be required to make increased payments under Section 3.01(a) to a Lender Party that is an assignee pursuant to a request by the applicable Borrower under Section 3.07, and (C) the applicable Irish Borrower shall be required to make increased payments to a Lender Party under Section 3.01(a) with respect to any Taxes arising as a result of an Irish Borrower failing to comply with its obligations under Section 3.01(f)(ix).

(viii) Upon request from an Irish Borrower, each Lender Party with respect to a Loan to an Irish Borrower shall promptly provide such information as shall be reasonably requested to enable such Irish Borrower to comply with the provisions of sections 891A, 891E, 891F and 891G of the TCA (or any regulations made in respect of or in connection with such sections).

(ix) Each Treaty Lender and each applicable Irish Borrower that makes a payment to which that Treaty Lender is entitled shall cooperate in completing any procedural formalities as may be

necessary or advisable for such Irish Borrower to obtain authorization to make such payment without any Tax Deduction imposed under the laws of Ireland.

Notwithstanding any other provision of this Section 3.01(f), a Lender Party shall not be required to deliver any form or other documentation that such Lender Party is not legally eligible to deliver.

(g) *VAT*.

(i) All amounts expressed to be payable under a Finance Document by any party to a Finance Party are deemed to be exclusive of any VAT which is chargeable on that supply, and accordingly, subject to paragraph (ii) below, if VAT is or becomes chargeable on any supply made by any Finance Party to any party in connection with a Finance Document, that party shall pay to such Finance Party (in addition to and at the same time as paying any other consideration for such supply) an amount equal to the amount of the VAT.

(ii) If VAT is or becomes chargeable on any supply made by any Finance Party (the "Supplier") to any other Finance Party (the "Recipient") in connection with a Finance Document, and any party other than the Recipient (the "Relevant Party") is required by the terms of any Finance Document to pay an amount equal to the consideration for that supply to the Supplier:

(A) where the Supplier is the person required to account to the relevant tax authority for the VAT, the Relevant Party shall also pay to the Supplier (at the same time as paying that amount) an additional amount equal to the amount of the VAT. The Recipient shall (where this Section 3.01(g)(ii)(A) applies) promptly pay to the Relevant Party an amount equal to any credit or repayment the Recipient receives from the relevant tax authority which the Recipient determines relates to the VAT chargeable on that supply; and

(B) where the Recipient is the person required to account to the relevant tax authority for the VAT, the Relevant Party shall promptly, following demand from the Recipient, pay to the Recipient an amount equal to the VAT chargeable on that supply but only to the extent that the Recipient determines that it is not entitled to credit or repayment from the relevant tax authority in respect of that VAT.

(iii) Where a Finance Document requires any party to reimburse or indemnify a Finance Party for any cost or expense, that party shall reimburse or indemnify (as the case may be) such Finance Party for the full amount of such cost or expense, including such part thereof as represents VAT, save to the extent that such Finance Party determines that it is entitled to credit or repayment in respect of such VAT from the relevant tax authority.

(iv) Any reference in this Section 3.01(g) to any party shall, at any time when such party is treated as a member of a group or unity (or fiscal unity) for VAT purposes, include (where appropriate and unless the context otherwise requires) a reference to the person who is treated at that time as making the supply, or (as appropriate) receiving the supply, under the grouping rules (provided for in Article 11 of Council Directive 2006/112/EC (or as implemented by the relevant member state of the European Union) or any other similar provision in any jurisdiction which is not a member state of the European Union) so that a reference to a party shall be construed as a reference to that party or the relevant group or unity (or fiscal unity) of which that party is a member for VAT purposes at the relevant time or the relevant representative member (or head) of that group or unity (or fiscal unity) at the relevant time (as the case may be).

(v) In relation to any supply made by a Finance Party to any party under a Finance Document, if requested by such Finance Party, that party shall promptly provide such Finance Party with details of that party's VAT registration (if applicable) and such other information as is requested in connection with such Finance Party's VAT reporting requirements in relation to such supply.

Section 3.02 Illegality. If any Lender determines that any Law has made it unlawful, or that any Governmental Authority has asserted that it is unlawful, for any Lender or its applicable Lending Office to make, maintain or fund Loans whose interest is determined by reference to the Adjusted Eurodollar Rate, or to determine or charge interest rates based upon the Adjusted Eurodollar Rate, or any Governmental Authority has imposed material restrictions on the authority of such Lender to purchase or sell, or to take deposits of, Dollars in the London interbank market, then, upon notice thereof by such Lender to the applicable Borrower (through the Administrative Agent), (i) any obligation of such Lender to make or continue Eurodollar ~~Rate~~ Loans or to convert Base Rate Loans to Eurodollar ~~Rate~~ Loans shall be suspended, and (ii) if such notice asserts the illegality of such Lender making or maintaining Base Rate Loans the interest rate on which is determined by reference to the Adjusted Eurodollar Rate component of the Base Rate, the interest rate on which Base Rate Loans of such Lender shall, if necessary to avoid such illegality, be determined by the Administrative Agent without reference to the Adjusted Eurodollar Rate component of the Base Rate, in each case until such Lender notifies the Administrative Agent and the applicable Borrower that the circumstances giving rise to such determination no longer exist. Upon receipt of such notice, (x) the applicable Borrower shall, upon demand from such Lender (with a copy to the Administrative Agent), prepay or, if applicable, convert all Eurodollar ~~Rate~~ Loans of such Lender to Base Rate Loans (the interest rate on which Base Rate Loans of such Lender shall, if necessary to avoid such illegality, be determined by the Administrative Agent without reference to the Adjusted Eurodollar Rate component of the Base Rate), either on the last day of the Interest Period therefor, if such Lender may lawfully continue to maintain such Eurodollar ~~Rate~~ Loans to such day, or immediately, if such Lender may not lawfully continue to maintain such Eurodollar ~~Rate~~ Loans and (y) if such notice asserts the illegality of such Lender determining or charging interest rates based upon the Adjusted Eurodollar Rate, the Administrative Agent shall during the period of such suspension compute the Base Rate applicable to such Lender without reference to the Adjusted Eurodollar Rate component thereof until the Administrative Agent is advised in writing by such Lender that it is no longer illegal for such Lender to determine or charge interest rates based upon the Adjusted Eurodollar Rate. Upon any such prepayment or conversion, the applicable Borrower shall also pay accrued interest on the amount so prepaid or converted, together with any additional amounts required pursuant to Section 3.05.

If, in any applicable jurisdiction, the Administrative Agent, the L/C Issuer or any Lender or any Designated Lender determines that any Law has made it unlawful, or that any Governmental Authority has asserted that it is unlawful, for the Administrative Agent, the L/C Issuer or any Lender or its applicable Designated Lender to (i) perform any of its obligations hereunder or under any other Loan Document, (ii) to fund or maintain its participation in any Loan or (iii) issue, make, maintain, fund or charge interest with respect to any Credit Extension to any Borrower who is organized under the laws of a jurisdiction other than the United States, a State thereof or the District of Columbia, such Person shall promptly notify the Administrative Agent, and then, upon the Administrative Agent notifying Parent, and until such notice by such Person is revoked, any obligation of such Person to issue, make, maintain, fund or charge interest with respect to any such Credit Extension shall be suspended, and to the extent required by applicable Law, cancelled. Upon receipt of such notice, the Loan Parties shall, (A) to the extent required by Law to be repaid, repay that Person's participation in the Loans or other applicable Finance Obligations on the last day of the Interest Period for each Loan or other Finance Obligation occurring after the Administrative Agent has notified Parent or, if earlier, the date specified by such Person in the notice delivered to the Administrative Agent (being no earlier than the last day of any applicable grace period permitted by

applicable Law) and (B) take all reasonable actions requested by such Person to mitigate or avoid such illegality.

Section 3.03 Inability To Determine Rates.

(a) If in connection with any request for a Eurodollar Loan or a conversion to or continuation thereof, (~~a~~1) the Administrative Agent determines that (i) Dollar deposits are not being offered to banks in the London interbank market for the applicable amount and Interest Period of such Eurodollar Loan, or (ii) adequate and reasonable means do not exist for determining the Eurodollar Rate for any requested Interest Period with respect to a proposed Eurodollar Loan or in connection with an existing or proposed Base Rate Loan (in each case with respect to clause (a)(1)(i) above, "Impacted Loans"), or (~~b~~2) the Administrative Agent or the Required Lenders determine that for any reason the Eurodollar Rate for any requested Interest Period with respect to a proposed Eurodollar Loan does not adequately and fairly reflect the cost to such Lenders of funding such Eurodollar Loan, the Administrative Agent will promptly so notify the Lead Borrower and each Lender. Thereafter, (x) the obligation of the Lenders to make or maintain Eurodollar Loans shall be suspended (to the extent of the affected Eurodollar Loans or Interest Periods) and (y) in the event of a determination described in the preceding sentence with respect to the Eurodollar Rate component of the Base Rate, the utilization of the Eurodollar Rate component in determining the Base Rate shall be suspended, in each case until the Administrative Agent upon the instruction of the Required Lenders revokes such notice. Upon receipt of such notice, the Lead Borrower may revoke any pending request for a Borrowing of, conversion to or continuation of Eurodollar Loans (to the extent of the affected Eurodollar Loans or Interest Periods) or, failing that, will be deemed to have converted such request into a request for a Borrowing of Base Rate Loans in the amount specified therein.

Notwithstanding the foregoing, if the Administrative Agent has made the determination described in clause (a)(1)(i) of this Section, the Administrative Agent, in consultation with the Lead Borrower and the affected Lenders, may establish an alternative interest rate for the Impacted Loans**,** in which case, such alternative rate of interest shall apply with respect to the Impacted Loans until (1) the Administrative Agent revokes the notice delivered with respect to the Impacted Loans under clause (a) of the first sentence of this Section, (2) the Administrative Agent or the Required Lenders notify the Administrative Agent and the Lead Borrower that such alternative interest rate does not adequately and fairly reflect the cost to such Lenders of funding the Impacted Loans, or (3) any Lender determines that any Law has made it unlawful, or that any Governmental Authority has asserted that it is unlawful, for such Lender or its applicable Lending Office to make, maintain or fund Loans whose interest is determined by reference to such alternative rate of interest or to determine or charge interest rates based upon such rate or any Governmental Authority has imposed material restrictions on the authority of such Lender to do any of the foregoing and provides the Administrative Agent and the Lead Borrower written notice thereof.

(b) Notwithstanding anything to the contrary in this Agreement or any other Loan Documents, if the Administrative Agent determines (which determination shall be conclusive absent manifest error), or the Lead Borrower or Required Lenders notify the Administrative Agent (with, in the case of the Required Lenders, a copy to Lead Borrower) that the Lead Borrower or Required Lenders (as applicable) have determined, that:

(i) adequate and reasonable means do not exist for ascertaining LIBOR for any requested Interest Period, including, without limitation, because the LIBOR Screen Rate is not available or published on a current basis and such circumstances are unlikely to be temporary; or

(ii) the administrator of the LIBOR Screen Rate or a Governmental Authority having jurisdiction over the Administrative Agent has made a public statement identifying a specific date

after which LIBOR or the LIBOR Screen Rate shall no longer be made available, or used for determining the interest rate of loans (such specific date, the "Scheduled Unavailability Date"), or

(iii) syndicated loans currently being executed, or that include language similar to that contained in this Section, are being executed or amended (as applicable) to incorporate or adopt a new benchmark interest rate to replace LIBOR,

then, reasonably promptly after such determination by the Administrative Agent or receipt by the Administrative Agent of such notice, as applicable, the Administrative Agent and the Lead Borrower may amend this Agreement to replace LIBOR with an alternate benchmark rate (including any mathematical or other adjustments to the benchmark (if any) incorporated therein), giving due consideration to any evolving or then existing convention for similar U.S. dollar denominated syndicated credit facilities for such alternative benchmarks (any such proposed rate, a "LIBOR Successor Rate"), together with any proposed LIBOR Successor Rate Conforming Changes and any such amendment shall become effective at 5:00 p.m. (New York time) on the fifth Business Day after the Administrative Agent shall have posted such proposed amendment to all Lenders and the Lead Borrower unless, prior to such time, Lenders comprising the Required Lenders have delivered to the Administrative Agent written notice that such Required Lenders do not accept such amendment.

If no LIBOR Successor Rate has been determined and the circumstances under clause (i) above exist or the Scheduled Unavailability Date has occurred (as applicable), the Administrative Agent will promptly so notify the Lead Borrower and each Lender. Thereafter, (x) the obligation of the Lenders to make or maintain Eurodollar Loans shall be suspended (to the extent of the affected Eurodollar Loans or Interest Periods), and (y) the Eurodollar Rate component shall no longer be utilized in determining the Base Rate. Upon receipt of such notice, any Borrower may revoke any pending request for a Borrowing of, conversion to or continuation of Eurodollar Loans (to the extent of the affected Eurodollar Loans or Interest Periods) or, failing that, will be deemed to have converted such request into a request for a Borrowing of Base Rate Loans (subject to the foregoing clause (y)) in the amount specified therein.

Notwithstanding anything else herein, any definition of LIBOR Successor Rate shall provide that in no event shall such LIBOR Successor Rate be less than zero for purposes of this Agreement.

Section 3.04 Increased Costs and Reduced Return; Capital Adequacy.

(a) *Increased Costs Generally*. If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, special deposit, compulsory loan, insurance charge or similar requirement against assets held by, deposits with or for the account of, or credit extended or participated in by, any Lender (or its Lending Office) (except any reserve requirement which is reflected in the determination of the Adjusted Eurodollar Rate hereunder) or any L/C Issuer;

(ii) subject any Lender Party to any Taxes with respect to any Loan Document or any Loan made pursuant to this Agreement (other than Indemnified Taxes and Other Taxes indemnified under Section 3.01, and Excluded Taxes); or

(iii) impose on any Lender (or its Lending Office) or L/C Issuer or the London interbank market any other condition, cost or expense affecting this Agreement or Eurodollar Loans made by such Lender or Participation Interest therein or any Letter of Credit or Participation Interest therein;

and the result of any of the foregoing shall be to increase the cost to such Lender of making, converting to, continuing or maintaining any Eurodollar ~~Rate~~ Loan or of maintaining its obligation to make any such Loan, or to increase the cost to such Lender, such L/C Issuer of participating in, issuing or maintaining any Letter of Credit (or of maintaining its obligation to participate in or to issue any Letter of Credit), or to reduce the amount of any sum received or receivable by such Lender or such L/C Issuer, as the case may be, hereunder (whether of principal, interest or any other amount) then, upon request of such Lender or such L/C Issuer, the applicable Borrower will pay to such Lender or such L/C Issuer, as the case may be, such additional amount or amounts as will compensate such Lender or such L/C Issuer, as the case may be, for such additional costs incurred or reduction suffered.

(b) *Capital Requirements*. If any Lender or L/C Issuer determines that any Change in Law affecting such Lender, any of its applicable Lending Offices or its holding company or such L/C Issuer or its holding company, as the case may be, regarding capital and liquidity requirements has or would have the effect of reducing the rate of return on capital for such Lender or its holding company or such L/C Issuer or its holding company, if any, as a consequence of this Agreement, the Commitments of such Lender or the Loans made by, or participations in Letters of Credit or Swing Line Loans held by, such Lender, or the Letters of Credit issued by any L/C Issuer, to a level below that which such Lender or its holding company or such L/C Issuer or its holding company, as the case may be, could have achieved but for such Change in Law (taking into consideration such Lender's or its holding company's policies or such L/C Issuer's or its holding company's policies, as applicable, with respect to capital and liquidity adequacy), then from time to time the applicable Borrower will pay to such Lender or such L/C Issuer, as the case may be, such additional amount or amounts as will compensate such Lender or its holding company or such L/C Issuer or its holding company for any such reduction suffered.

(c) *Certificates for Reimbursement*. A certificate of a Lender or an L/C Issuer setting forth in reasonable detail the amount or amounts necessary to compensate such Lender or such L/C Issuer or its holding company, as the case may be, as specified in paragraph (a) or (b) of this Section and delivered to the applicable Borrower, shall be conclusive absent manifest error. Such Borrower shall pay such Lender or such L/C Issuer, as the case may be, the amount shown as due on any such certificate promptly (but in any event within ten days) after receipt thereof.

(d) *Delay in Requests*. Failure or delay on the part of any Lender or any L/C Issuer to demand compensation pursuant to this Section shall not constitute a waiver of such Lender's or such L/C Issuer's right to demand such compensation; provided that the applicable Borrower shall not be required to compensate a Lender or L/C Issuer pursuant to this Section for any increased costs incurred or reductions suffered more than nine months prior to the date that such Lender or such L/C Issuer, as the case may be, notifies such Borrower of the Change in Law giving rise to such increased costs or reductions, and of such Lender's or such L/C Issuer's intention to claim compensation therefor (except that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the nine-month period referred to above shall be extended to include the period of retroactive effect thereof).

Section 3.05 Compensation for Losses. Upon written demand of any Lender (with a copy to the Administrative Agent) from time to time, setting forth in reasonable detail the basis for calculating such compensation, the applicable Borrower shall promptly (but in any event within ten days) after such demand compensate such Lender for and hold such Lender harmless from any loss, cost or expense incurred by it as a result of (a) any continuation, conversion, payment or prepayment of any Eurodollar ~~Rate~~ Loan on a day other than the last day of the Interest Period for such Loan (whether voluntary, mandatory, automatic, by reason of acceleration, or otherwise); (b) any failure by the applicable Borrower (for a reason other than the failure of such Lender to make a Loan) to prepay, borrow, continue or convert any Eurodollar ~~Rate~~ Loan on the date or in the amount notified by such Borrower; or (c) any

assignment of such Lender's Eurodollar ~~Rate~~ Loans pursuant to Section 3.07(b) on a day other than the last day of the Interest Period therefor, including, in each case, any loss or expense arising from the liquidation or reemployment of funds obtained by it to maintain such Loan or from fees payable to terminate the deposits from which such funds were obtained; provided that, for the avoidance of doubt, such Borrower shall not be obligated to compensate any Lender under this Section for any loss of anticipated profits in respect of any of the foregoing. For purposes of calculating amounts payable by any Borrower to the Lenders under this Section, each Lender shall be deemed to have funded each Eurodollar ~~Rate~~ Loan made by it at the Adjusted Eurodollar Rate (excluding the impact of the proviso set forth in the "Adjusted Eurodollar Rate" definition) for such Loan by a matching deposit or other borrowing in the London interbank eurodollar market for a comparable amount and for a comparable period, whether or not such Eurodollar ~~Rate~~ Loan was in fact so funded. Without limiting the foregoing, in connection with each request for compensation by any Lender the applicable Borrower shall also pay such Lender with respect to each affected Eurodollar ~~Rate~~ Loan customary administrative fees requested by such Lender in an amount not to exceed $250 per such Eurodollar ~~Rate~~ Loan. For the avoidance of doubt, no Lender that is a lender under the Existing Credit Agreement shall demand, and such Borrower shall not be obligated to make, any funding loss payments pursuant to this Section 3.05 or Section 3.05 of the Existing Credit Agreement with respect to the repayment of outstanding loans on the Closing Date pursuant to the Existing Credit Agreement.

Section 3.06 Base Rate Loans Substituted for Affected Eurodollar Loans. If (i) the obligation of any Lender to make, or to continue or convert outstanding Loans as or to, Eurodollar Loans has been suspended pursuant to Section 3.02 or (ii) any Lender has demanded compensation under Section 3.04 with respect to its Eurodollar Loans, and in any such case the applicable Borrower shall, by at least five Business Days' prior notice to such Lender through the Administrative Agent, have elected that the provisions of this Section 3.06 shall apply to such Lender, then, unless and until such Lender notifies such Borrower that the circumstances giving rise to such suspension or demand for compensation no longer exist, all Loans which would otherwise be made by such Lender as (or continued as or converted to) Eurodollar Loans shall instead be Base Rate Loans (on which interest and principal shall be payable contemporaneously with the related Eurodollar Loans of the other Lenders). If such Lender notifies such Borrower that the circumstances giving rise to such suspension or demand for compensation no longer exist, the principal amount of each such Base Rate Loan shall be converted into a Eurodollar Loan on the first day of the next succeeding Interest Period applicable to the related Eurodollar Loans of the other Lenders.

Section 3.07 Mitigation Obligations; Replacement of Lenders.

(a) *Designation of a Different Lending Office*. Each Lender may make any Credit Extension to any Borrower through any Lending Office, provided that the exercise of this option shall not affect the obligation of any such Borrower to repay the Credit Extension in accordance with the terms of this Agreement. If at any time (i) any Lender requires a Borrower to pay additional amounts to any Lender or any Governmental Authority for the account of any Lender or any L/C Issuer pursuant to Section 3.01, (ii) any Lender requests compensation under Section 3.04 or (iii) any Lender gives a notice pursuant to Section 3.02, then such Lender or L/C Issuer shall, as applicable, at the request of such Borrower, use reasonable efforts to designate a different Lending Office for funding or booking its Loans hereunder or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if, in the judgment of such Lender or L/C Issuer, such designation or assignment (A) would eliminate or reduce amounts payable pursuant to Section 3.01 or Section 3.04, as the case may be, in the future, or eliminate the need for the notice pursuant to Section 3.02, and (B) in each case, would not subject such Lender or L/C Issuer, as the case may be, to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender or L/C Issuer, as the case may be. Each Borrower, as applicable, hereby agrees to pay all reasonable

costs and expenses incurred by any Lender or L/C Issuer in connection with any such designation or assignment.

(b) *Replacement of Lenders*. If at any time (i) a Borrower is required to pay additional amounts to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 3.01, (ii) any Lender requests compensation under Section 3.04, (iii) any Lender gives a notice pursuant to Section 3.02, (iv) any Lender is a Defaulting Lender or (v) any Lender is a Non-Consenting Lender, and, in the case of clause (i), (ii), or (iii), such Lender has declined or is unable to designate a different lending office in accordance with Section 3.07(a), then such Borrower may, at its sole expense and effort, upon notice to the Administrative Agent and such Lender, replace such Lender by causing such Lender (and such Lender shall be obligated) to assign pursuant to Section 10.06(b) (with the processing and recording fee under Section 10.06(b)(iii) to be paid by such Borrower in such instance) all of its rights and obligations under this Agreement and the other Loan Documents to one or more Eligible Assignees; provided that:

(A) (i) neither the Administrative Agent nor any Lender shall have any obligation to find a replacement assignee and (ii) such Borrower shall have paid to the Administrative Agent the assignment fee specified in Section 10.06(b);

(B) such Lender shall have received payment of an amount equal to the outstanding principal of its Loans and funded participations in outstanding L/C Borrowings and Swing Line Loans, accrued interest thereon, accrued fees and all other amounts payable to it hereunder and under the other Loan Documents (including any amounts under Section 3.05) from or on behalf of the applicable assignee (to the extent of such outstanding principal, funded participations and accrued interest and fees) or such Borrower (in the case of all other amounts);

(C) in the case of any such assignment resulting from payments required to be made pursuant to Section 3.01 or a claim for compensation under Section 3.02 or Section 3.04, such assignment will result in a reduction in such payments or compensation thereafter or, in the case of any such assignment resulting from a notice pursuant to Section 3.02, such assignment will eliminate the need for such notice;

(D) such assignment does not conflict with applicable Law;

(E) if such Borrower elects to exercise such right with respect to any Lender pursuant to clause (i), (ii) or (iii) above, it shall be obligated to remove or replace, as the case may be, all Lenders that have similar requests then outstanding for compensation pursuant to Section 3.04 or 3.01, who have given notice pursuant to Section 3.02 or whose obligation to make Eurodollar Loans has been similarly suspended; and

(F) in the case of any such assignment resulting from a Lender becoming a Non-Consenting Lender, the applicable assignee shall be deemed to have consented to the applicable amendment, waiver or consent.

In connection with any such assignment resulting from a Lender becoming a Defaulting Lender or a Non-Consenting Lender, if any such Defaulting Lender or Non-Consenting Lender does not execute and deliver to the Administrative Agent a duly executed Assignment and Assumption pursuant to Section 10.06(b) reflecting such assignment ~~within five~~on or prior to the earlier of (x) the proposed effective date of such assignment and (y) the date that is three Business Days ~~of~~following the date on which the applicable assignee executes and delivers such Assignment and Assumption to such Defaulting Lender or non-Consenting Lender, then such Defaulting Lender or Non-Consenting Lender shall be deemed to have executed and delivered such Assignment and Assumption without any action on the part of such Defaulting

Lender or Non-Consenting Lender, whereupon such assignment shall become effective upon payment to such Lender of all amounts owing to such Lender under clause (B) above (which amounts shall be calculated by the Administrative Agent and shall be conclusive absent manifest error) and compliance with the other applicable requirements pursuant to Section 10.06(b).

Notwithstanding anything in this Section to the contrary, (i) any Revolving Lender that acts as an L/C Issuer may not be replaced hereunder at any time it has any Letter of Credit outstanding hereunder unless arrangements satisfactory to such Lender (including the furnishing of a back-up standby letter of credit in form and substance, and issued by an issuer, reasonably satisfactory to such L/C Issuer or the depositing of cash collateral into a cash collateral account in amounts and pursuant to arrangements reasonably satisfactory to such L/C Issuer) have been made with respect to such outstanding Letter of Credit and (ii) the Lender that acts as the Administrative Agent may not be replaced hereunder except in accordance with the terms of Section 9.07.

A Lender shall not be required to make any such assignment if, prior thereto, as a result of a waiver by such Lender or otherwise (including any action taken by such Lender pursuant to paragraph (a) of this Section), the circumstances entitling the applicable Borrower to replace such Lender cease to apply.

Section 3.08 Survival. All of each Borrower's obligations under this Article III shall survive termination of the Commitments and repayment of all other Senior Credit Obligations hereunder.

ARTICLE IV.

CONDITIONS PRECEDENT TO CREDIT EXTENSIONS

Section 4.01 Conditions to Initial Credit Extension. The obligation of each L/C Issuer and each Lender to make its initial Credit Extension hereunder on the Closing Date was subject to the satisfaction or waiver of the following conditions precedent:

(a) *Executed Loan Documents*. Receipt by the Administrative Agent (or its counsel) of duly executed counterparts from each party thereto of: (i) this Agreement, (ii) the Notes (to the extent requested), (iii) the Guaranty Agreement and (iv) the U.S. Security Agreement and (v) the Foreign Collateral Documents. Each of the aforementioned documents shall be originals or telecopies (followed promptly by originals) unless otherwise specified, each properly executed by a Responsible Officer of the signing Loan Party (and in respect of any Loan Party incorporated in Ireland, by the requisite number of Responsible Officers and in accordance with the requirements of each such Loan Party's Organization Documents), each dated the Closing Date (or, in the case of certificates of governmental officials, a recent date before the Closing Date) and each in form and substance satisfactory to the Administrative Agent and each of the Lenders.

(b) *Organization Documents*. After giving effect to the transactions contemplated hereby, the Administrative Agent shall have received: (i) a copy of the Organization Documents, including all amendments thereto, of each Loan Party, certified as of a recent date by the Secretary of State or other applicable Governmental Authority of its respective jurisdiction of organization to the extent applicable; (ii) a certificate as to the good standing (or comparable status) of each Loan Party from such Secretary of State or other applicable Governmental Authority of its respective jurisdiction of organization, as of a recent date; provided that to the extent a certificate of good standing (or comparable status) is not applicable in the jurisdiction of any Loan Party that is a Foreign Subsidiary, such Loan Party shall provide an Officer's Certificate in form and substance reasonably satisfactory to the Administrative Agent; (iii) a certificate of the Secretary or Assistant

Secretary or other applicable Responsible Officer of each Loan Party dated the Closing Date and certifying (A) that the Organization Documents of such Loan Party have not been amended since the date of the last amendment thereto shown on the certificate of good standing or comparable status from its jurisdiction of organization furnished pursuant to clause (ii) above (to the extent applicable in the relevant Loan Party's jurisdiction) and remains in full force and effect; (B) that attached thereto is a true and complete copy of the Organization Documents as in effect on the Closing Date and at all times since the date of the resolutions described in clause (C) below or certifying that such Organization Documents have not been amended since such date, (C) that attached thereto is a true and complete copy of resolutions duly adopted by the Board of Directors (or equivalent governing body) of such Loan Party authorizing the execution, delivery and performance of the Loan Documents to which it is to be a party and, in the case of the Borrowers, the borrowings hereunder, and that such resolutions have not been modified, rescinded or amended and are in full force and effect and are the only resolutions authorizing the execution, delivery and performance of the Loan Documents; and (D) as to the incumbency and specimen signature of each Responsible Officer executing any Loan Document; and (iv) a certificate of another officer as to the incumbency and specimen signature of the Secretary or Assistant Secretary or other applicable Responsible Officer executing the certificate pursuant to clause (iii) above.

(c) *Officer's Certificate*. The Administrative Agent shall have received a certificate, dated the Closing Date and signed by a Responsible Officer of Parent on behalf of each Loan Party, confirming compliance with the conditions precedent set forth in Sections 4.01(f) and 4.02(b) and (c).

(d) *Opinions of Counsel*. On the Closing Date, the Administrative Agent shall have received a favorable written opinion of (i) Cooley LLP, US counsel to the Loan Parties, (ii) A&L Goodbody, Irish counsel to the Loan Parties, (iii) Arthur Cox, Irish counsel to the Administrative Agent, (iv) Conyers, Dill & Pearman Limited, Bermuda counsel to the Loan Parties, (v) Ellul & Co., Gibraltar counsel to the Loan Parties, and (vi) Arendt & Medernach, Luxembourg counsel to the Loan Parties , in each case addressed to the Administrative Agent, Collateral Agent, each Lender and the L/C Issuer, dated the Closing Date, in the form reasonably satisfactory to the Administrative Agent.

(e) *Consummation of the Closing Date Refinancing*.

Contemporaneously with the initial funding of the Loans hereunder, the Closing Date Refinancing shall have been consummated.

(f) *Company Material Adverse Change*. Since December 31, 2014, there shall not have occurred any change, event, circumstance or occurrence that, individually or in the aggregate, has or would reasonably be expected to have a material adverse effect on the business, property, results of operations, or financial condition of Parent and its Subsidiaries, taken as a whole (after taking into account any applicable insurance and any applicable indemnification (to the extent the provider of such insurance or indemnification has the financial ability to support its obligations with respect thereto and is not disputing or refusing to acknowledge the same)).

(g) *Perfection of Personal Property Security Interests and Pledges; Search Reports*. On or prior to the Closing Date, the Collateral Agent shall have received:

(i) a Perfection Certificate executed by each Loan Party;

(ii) appropriate financing statements (Form UCC-1 or such other financing statements or similar notices as shall be required by local Law) authenticated and authorized for filing under the UCC or other applicable local law of each jurisdiction in which the filing of a financing statement or giving of notice may be required, or reasonably requested by the Collateral Agent, to perfect the security interests intended to be created by the Collateral Documents;

(iii) certified copies of UCC, United States Patent and Trademark Office and United States Copyright Office, Tax and judgment lien searches or equivalent reports or searches within the United States, each of a recent date listing all effective financing statements, lien notices or comparable documents that name any Loan Party as debtor and that are filed in those state and county jurisdictions in which the U.S. Borrower or any Domestic Guarantor is organized or maintains its principal place of business and such other searches within the United States that are required by the Perfection Certificate or that the Collateral Agent deems necessary or appropriate, none of which encumber the Collateral covered or intended to be covered by the Collateral Documents (other than Permitted Liens);

(iv) all of the Pledged Collateral, which Pledged Collateral shall be in suitable form for transfer by delivery, or shall be accompanied by duly executed instruments of transfer or assignment in blank, with signatures appropriately guaranteed, accompanied in each case by any required transfer tax stamps, all in form and substance reasonably satisfactory to the Collateral Agent;

(v) satisfactory up to date searches on the Loan Parties incorporated in Ireland and evidence that all acts appearing thereon which the Lenders require to be discharged have been fully discharged to the satisfaction of the Collateral Agent together with satisfactory priority searches in the Property Registration Authority of Ireland in respect of Mortgaged Property located in Ireland (if any); and

(vi) all other filings and recordings of or with respect to the Collateral Documents and of all other actions in each case to the extent required by such Collateral Documents.

(h) *Solvency Certificate*. On or prior to the Closing Date, Parent shall have delivered or caused to be delivered to the Administrative Agent a solvency certificate from a Responsible Officer or chief accounting officer of Parent, substantially in the form of Exhibit K hereto, setting forth the conclusions that, after giving effect to the Transactions and the consummation of all financings contemplated herein, Parent and its Subsidiaries (on a consolidated basis) are Solvent.

(i) *Payment of Fees*. All costs, fees and expenses due and payable to the Administrative Agent, the Collateral Agent and the Lenders on or before the Closing Date shall have been paid or, contemporaneously with the funding of the Term Loans, will be paid, to the extent invoiced in reasonable detail at least three Business Days prior to the Closing Date (which amounts may be offset against the proceeds of the Term Loans or using the proceeds of Revolving Loans).

(j) *Patriot Act*. At least five days prior to the Closing Date, each Loan Party shall have provided the documentation and other information concerning such Loan Party to the Administrative Agent and the Lead Arranger as has been reasonably requested in writing at least 10 days prior to the Closing Date by the Administrative Agent (as requested by any Lender to the

Administrative Agent) that the Lenders reasonably determine is required by regulatory authorities under applicable "know your customer" and anti-money laundering rules and regulations, including, without limitation, the Patriot Act.

The documents referred to in this Section 4.01 shall be delivered to the Administrative Agent no later than the Closing Date. The certificates and opinions referred to in this Section 4.01 shall be dated the Closing Date.

Without limiting the generality of the provisions of Section 9.04, for purposes of determining compliance with the conditions specified in this Section 4.01, each Lender that has signed this Agreement shall be deemed to have consented to, approved or accepted or to be satisfied with, or waived each document or other matter required thereunder to be consented to or approved by or acceptable or satisfactory to a Lender unless the Administrative Agent shall have received notice from such Lender prior to the proposed Closing Date specifying its objection thereto.

Promptly after the Closing Date occurs, the Administrative Agent shall notify the Lead Borrower and the Lenders of the Closing Date, and such notice shall be conclusive and binding on all parties hereto.

Notwithstanding anything in this Agreement to the contrary it is understood that, to the extent any security interest in the Collateral (other than (1) any Collateral the security interest in which may be perfected by the filing of a UCC financing statement, (2) with respect to the U.S. Borrower and the Domestic Guarantors by intellectual property filings with the United States Patent and Trademark Office or the United States Copyright Office or (3) by the delivery of certificates representing the Equity Interests of (x) the U.S. Borrower and its Domestic Subsidiaries and (y) the Irish Borrowers) is not perfected or, with respect to (a) any Mortgages, (b) any Collateral, the pledge of which requires a filing in any Non-U.S. jurisdiction (other than Ireland), and (c) any Foreign Collateral Documents (other than those governed by the laws of Ireland), are not provided on the Closing Date after Parent's and the Borrowers' use of commercially reasonable efforts to do so, the perfection or provision of such security interest will not constitute a condition precedent to the availability of the initial Loans and other Credit Extensions on the Closing Date, but the Borrowers and Parent agree to perfect such security interest no later than 90 days after the Closing Date (subject to extension by the Administrative Agent in its reasonable discretion).

Section 4.02 Conditions to All Credit Extensions. The obligation of any Lender to make a Loan on the occasion of any Borrowing (including the initial Credit Extensions on the Closing Date), and the obligation of any L/C Issuer to issue (or renew or extend the term of) any Letter of Credit, is subject to the satisfaction or waiver of the following conditions:

(a) *Notice*. The applicable Borrower shall have delivered (i) in the case of any Loan, to the Administrative Agent, an appropriate Notice of Borrowing, duly executed and completed, by the time specified in, and otherwise as permitted by, Section 2.02, (ii) in the case of any Letter of Credit, to the L/C Issuer, an appropriate Letter of Credit Request duly executed and completed in accordance with the provisions of Section 2.05 and (iii) in the case of any Swing Line Loan, to the Swing Line Lender, a Swing Line Loan Request, duly executed and completed, by the time specified in Section 2.02(b).

(b) *Representations and Warranties*. The representations and warranties of each Borrower and the other Loan Parties contained in Article V of this Agreement and in any other Loan Document, or which are contained in any Compliance Certificate furnished at any time under or in connection herewith, shall be (i) in the case of representations and warranties qualified by "materiality," "Material Adverse Effect" or similar language, true and correct in all respects and (ii)

in the case of all other representations and warranties, true and correct in all material respects, in each case on and as of the date of such Credit Extension, except to the extent that such representations and warranties specifically refer to an earlier date, in which case they shall be true and correct on the basis set forth above as of such earlier date. The representations and warranties contained in subsection (b) of Section 5.05 shall be deemed to refer to the most recent statements furnished after the Closing Date pursuant to subsections (a) and (b), respectively, of Section 6.01. Notwithstanding the foregoing, to the extent the proceeds of any Incremental Facility are to be used to consummate a Limited Condition Acquisition and to the extent agreed to by lenders providing such Incremental Facility, the requirement that the representations and warranties in this Agreement and in any other Loan Documents be true and correct shall be limited to customary "specified representations" to be agreed upon with the lenders providing such Incremental Facility.

(c) *No Default*. No Default or Event of Default shall exist or would result from such proposed Credit Extension or from the application of the proceeds thereof.

The delivery of each Notice of Borrowing, Swing Line Loan Request and each request for a Letter of Credit shall constitute a representation and warranty by the Loan Parties of the correctness of the matters specified in subsections (b) and (c) above.

ARTICLE V.

REPRESENTATIONS AND WARRANTIES

Parent and each Borrower represent and warrant to the Administrative Agent and the Lenders that on and as of the Closing Date and after giving effect to the Transactions and the making of the Loans and the other financial accommodations on the Closing Date and on and as of each date as required by Section 4.01 or 4.02:

Section 5.01 Existence, Qualification and Power. Each of Parent and each of its Restricted Subsidiaries (i) is duly organized or formed, validly existing and in good standing (to the extent such concept exists in the relevant jurisdiction) under the Laws of the jurisdiction of its incorporation or organization, (ii) has all requisite corporate or other organizational power and authority and all requisite governmental licenses, authorizations, consents and approvals to (A) own its assets and carry on its business as presently conducted except to the extent that failure to possess such governmental licenses, authorizations, consents and approvals would not reasonably be expected to have a Material Adverse Effect and (B) execute, deliver and perform its obligations under the Loan Documents to which it is a party and (iii) is duly qualified and is licensed and in good standing under the Laws of each jurisdiction where its ownership, lease or operation of properties or the conduct of its business requires such qualification or license except to the extent that failure to do so would not reasonably be expected to have a Material Adverse Effect.

Section 5.02 Authorization; No Contravention. The execution, delivery and performance by each Loan Party of each Loan Document to which such Person is party (x) have been duly authorized by all necessary corporate, partnership, limited liability company or other organizational action, and (y) do not and will not (i) contravene the terms of any of such Person's Organization Documents, (ii) conflict with or result in any breach or contravention of, or the creation of any Lien (other than Permitted Liens) under, any Contractual Obligation to which such Person is a party or any order, injunction, writ or decree of any Governmental Authority or any arbitral award to which such Person or its property is subject except in the case of this clause (ii) any such conflict, breach or contravention that would not reasonably be expected individually or in the aggregate to have a Material Adverse Effect or (iii) violate any Law, except

in any case for such violations that would not reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect.

Section 5.03 Governmental Authorization; Other Consents. Except for filings necessary to perfect the Liens in favor of the Collateral Agent in the Collateral, consents, authorizations, notices, approvals and exemptions that have been obtained prior to or as of the ~~Closing~~Amendment No. 2 Effective Date or as are scheduled on Schedule 5.03 and consents, authorizations, notices, approvals and exemptions, the failure of which to obtain or make would not reasonably be expected to have a Material Adverse Effect, no approval, consent, exemption, authorization, or other action by, or notice to, or filing with, any Governmental Authority is necessary or required in connection with the execution, delivery or performance by, or enforcement against, any Loan Party of this Agreement or any other Loan Document to which it is a party.

Section 5.04 Binding Effect. This Agreement has been, and each other Loan Document, when delivered hereunder, will have been, duly executed and delivered by each Loan Party that is party thereto. This Agreement constitutes, and each other Loan Document when so delivered will constitute, a legal, valid and binding obligation of such Loan Party, enforceable against each Loan Party that is party thereto in accordance with its terms, except (i) as such enforceability may be limited by applicable bankruptcy, insolvency, examinership, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and (ii) that rights of acceleration and the availability of equitable remedies may be limited by equitable principles of general applicability (regardless of whether enforcement is sought by proceedings in equity or at law).

Section 5.05 Financial Condition; No Material Adverse Effect.

(a) *Historical Financial Statements*. Each of the Jazz Financial Statements (x) were prepared in accordance with GAAP consistently applied throughout the period covered thereby, except as otherwise expressly noted therein and (y) fairly present in all material respects the consolidated financial condition and results of operations of Parent and its Subsidiaries as of the date thereof and for the period to which it relates, except as otherwise expressly noted therein. The unaudited consolidated financial statements of Parent for the quarter ended March 31, 2015 (x) were prepared in accordance with GAAP consistently applied throughout the period covered thereby, except as otherwise expressly noted therein and (y) fairly present in all material respects the consolidated financial condition and results of operations of Parent and its Subsidiaries as of the date thereof and its results of operations for the period covered thereby, except as otherwise expressly noted therein.

(b) *Post-Closing Financial Statements*. After the Closing Date, the financial statements of Parent and its Subsidiaries delivered pursuant to Section 6.01(a) have been prepared in accordance with GAAP (except as noted therein) and present fairly in all material respects the financial condition and results of operations and cash flows of Parent and its Subsidiaries as of the dates and for the period to which they relate. After the Closing Date, the unaudited financial statements of Parent and its Subsidiaries delivered pursuant to Section 6.01(b) have been prepared in accordance with GAAP (except as noted therein and for year-end audit adjustments and absence of footnotes) and present fairly in all material respects the financial condition and results of operations and cash flows of Parent and its Subsidiaries as of the dates and for the period to which they relate.

(c) *Material Adverse Change*. Since ~~the Closing Date~~December 31, 2017, there has been no event or circumstance, either individually or in the aggregate, that has had or could reasonably be expected to have a Material Adverse Effect.

Section 5.06 Litigation. Except as specifically disclosed in Schedule 5.06, there are no actions, suits, investigations or legal, equitable, arbitration or administrative proceedings pending or, to the knowledge of Parent, threatened in writing against or affecting Parent or any of its Restricted Subsidiaries that could reasonably be expected to result in a Material Adverse Effect.

Section 5.07 Ownership of Property, Liens.

(a) *Generally*. Each Loan Party has good title to, valid leasehold interests in, or license in, all its property material to its business and Mortgaged Property, free and clear of all Liens, except for Permitted Liens and minor irregularities or deficiencies in title that, individually or in the aggregate, would not reasonably be expected to result in a Material Adverse Effect. The property of the Loan Parties, taken as a whole, (i) is in good operating order, condition and repair (ordinary wear and tear and damage by casualty excepted) and (ii) constitutes all the property which is required for the business and operations of the Loan Parties as presently conducted, in each case, to the extent that it would not be reasonably likely to have a Material Adverse Effect.

(b) *Real Property*. Schedules 7(a) and 7(b) to the Perfection Certificate dated the Closing Date contain a true and complete list as of the Closing Date of each interest in material real property owned by any Loan Party as of the Closing Date. Except as described in Schedule 7(b) thereto (as updated from time to time pursuant to the terms hereof and the other Loan Documents): (i) no Loan Party has entered into any leases, subleases, tenancies, franchise agreements, licenses or other occupancy arrangements as owner, lessor, sublessor, licensor, franchisor or grantor with respect to any of the real property described in Schedule 7(a) and (ii) no Loan Party has any material Leases which require the consent of the landlord, tenant or other party thereto to the Transactions.

(c) *No Casualty Event/Flood Insurance*. No Loan Party has received any notice of the occurrence of any Casualty Event affecting all or any portion of its property, except for any such Casualty Event as would not reasonably be expected to result in a Material Adverse Effect. No Mortgage encumbers improved real property that is located in an area that has been identified by the Secretary of Housing and Urban Development as an area having special flood hazards within the meaning of the National Flood Insurance Act of 1968 unless flood insurance available under such Act or otherwise reasonably acceptable to the Administrative Agent has been obtained in accordance with Section 6.05.

Section 5.08 Environmental Matters. Except for any matters which, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect:

(a) Each of Parent and each of its Restricted Subsidiaries and their businesses, operations and property are in compliance with, and they have no liability under, Environmental Law;

(b) Each of Parent and each of its Restricted Subsidiaries has obtained, or has applied in a timely manner for, all Environmental Permits required for the conduct of their businesses and operations, and the ownership, operation and use of their property, under Environmental Law, and all such Environmental Permits are valid and in good standing;

(c) There has been no Release or threatened Release of Hazardous Material on, at, under or from any real property or facility presently or, to the knowledge of Parent and each of its Restricted Subsidiaries, formerly owned, leased or operated by Parent or any of its Restricted Subsidiaries or their predecessors in interest that could reasonably be expected to result in Environmental Liability;

(d) There is no Environmental Liability pending or, to the knowledge of any of Parent or any of its Restricted Subsidiaries, threatened against any of Parent or any of its Restricted Subsidiaries, or relating to any real property or facilities currently or, to the knowledge of each of Parent and each of its Restricted Subsidiaries, formerly owned, leased or operated by Parent or any of its Restricted Subsidiaries or relating to the operations of any of Parent or any of its Restricted Subsidiaries, and there are no actions, activities, circumstances, conditions, or occurrences that could reasonably be expected to form the basis of such Environmental Liability;

(e) Neither Parent nor any of its Restricted Subsidiaries is obligated to perform any action or otherwise incur any expense under Environmental Law pursuant to any order, decree, judgment or agreement by which it is bound or has assumed by contract, agreement or operation of law, and none of them is conducting or financing, in whole or in part, any investigation, response or other corrective action pursuant to any Environmental Law at any location; and

(f) No Lien has been recorded or, to the knowledge of any of Parent or any of its Restricted Subsidiaries, threatened under any Environmental Law with respect to any real property or other assets of any of Parent or any of its Restricted Subsidiaries.

Section 5.09 Insurance. Schedule 5.09 sets forth a true, complete and correct description in all material respects of all insurance maintained by Parent and each of its Restricted Subsidiaries on the Closing Date. The properties of Parent and each of its Restricted Subsidiaries are insured with insurance companies that Parent believes are financially sound and reputable that are not Affiliates of Parent, in such amounts (after giving effect to any self-insurance compatible with the following standards), with such deductibles and covering such risks as are prudent in the reasonable business judgment of Parent's officers.

Section 5.10 Taxes.

(a) Parent and each of its Subsidiaries have each timely filed, or caused to be filed, all federal, state, provincial, local and foreign Tax returns required to be filed, and paid all Taxes owing by it (including in their capacity as a withholding agent), whether or not shown on any such Tax returns, except (a) Taxes the validity or the amount of which are being contested in good faith by appropriate proceedings and for which Parent or such Subsidiary, as applicable, has set aside on its books adequate reserves with respect thereto in accordance with GAAP, and (b) to the extent that the failure to so file or so pay could not reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect. Except as specifically disclosed in Schedule 5.10(a), neither Parent nor any of its Subsidiaries knows of any pending investigation, Tax audit or deficiencies of any of Parent or any of its Subsidiaries by any taxing authority or proposed Tax assessments against any of Parent or any of its Subsidiaries that would, individually or in the aggregate, if made, result in a Material Adverse Effect.

(b) Neither Parent nor any of its Subsidiaries has ever "participated" in a "listed transaction" within the meaning of Treasury Regulation Section 1.6011-4.

Section 5.11 ERISA; Foreign Pension Plans; Employee Benefit Arrangements.

(a) *ERISA*.

(i) ~~(i)~~ There are no Unfunded Liabilities in excess of $2,500,000 (A) with respect to Parent or any of its Restricted Subsidiaries and (B) except as would not reasonably be expected to have a Material Adverse Effect, with respect to any ERISA Affiliate; provided that for purposes of this Section 5.11(a)(i)(B) only, Unfunded Liabilities means the amount (if any) by

which the projected benefit obligation exceeds the value of the plan's assets as of its last valuation date using the actuarial assumptions and methods being used by the plan's actuaries for making such determination.

(ii) ~~(ii)~~ Each Plan and Employee Benefit Arrangement, other than a Multiemployer Plan, complies in all respects with the applicable requirements of ERISA and the Code (including pursuant to any applicable correction procedures under applicable Law, as appropriate), and each of Parent and each of its Restricted Subsidiaries complies in all respects with the applicable requirements of ERISA and the Code with respect to all Multiemployer Plans to which it contributes, except, in each case, to the extent that the failure to comply therewith would not reasonably be expected to have a Material Adverse Effect.

(iii) ~~(iii)~~ Except as would not reasonably be expected to have a Material Adverse Effect, no ERISA Event has occurred or is reasonably expected to occur with respect to any Plan.

(iv) ~~(iv)~~ Neither Parent nor any of its Restricted Subsidiaries: (A) is or has been within the last six years a party to any Multiemployer Plan; or (B) has completely or partially withdrawn from any Multiemployer Plan.

(v) ~~(v)~~ Neither Parent nor any of its Restricted Subsidiaries has any contingent liability with respect to any postretirement benefit under a Welfare Plan that could reasonably be expected to have a Material Adverse Effect.

(vi) Each Borrower represents and warrants as of the Amendment No. 2 Effective Date that the assets of such Borrower involved in the transactions contemplated by this Agreement do not constitute "plan assets" (within the meaning of 29 CFR § 2510.3-101, as modified by Section 3(42) of ERISA) subject to Title I of ERISA and/or Section 4975 of the Code of one or more Benefit Plans.

(b) *Foreign Pension Plans*. Each Foreign Pension Plan has been maintained in compliance with its terms and with the requirements of any and all applicable Laws, statutes, rules, regulations and orders and has been maintained, where required, in good standing with applicable regulatory authorities except to the extent that the failure to comply therewith would not reasonably be expected to have a Material Adverse Effect. Neither Parent nor any of its Restricted Subsidiaries has incurred any obligation in an amount that would reasonably be expected to have a Material Adverse Effect in connection with the termination of or withdrawal from any Foreign Pension Plan.

(c) *Employee Benefit Arrangements*.

(i) All liabilities under the Employee Benefit Arrangements are (A) funded to at least the minimum level required by Law or, if higher, to the level required by the terms governing the Employee Benefit Arrangements, (B) insured with a reputable insurance company, (C) provided for or recognized in the financial statements most recently delivered to the Administrative Agent pursuant to Section 6.01 hereof or (D) estimated in the formal notes to the financial statements most recently delivered to the Administrative Agent pursuant to Section 6.01 hereof, where such failure to fund, insure, provide for, recognize or estimate the liabilities arising under such arrangements could reasonably be expected to have a Material Adverse Effect.

(ii) There are no circumstances which may give rise to a liability in relation to the Employee Benefit Arrangements which are not funded, insured, provided for, recognized or estimated in

the manner described in clause (i) above and which could reasonably be expected to have a Material Adverse Effect.

(iii) Each of Parent and each of its Restricted Subsidiaries is in compliance with all applicable Laws, trust documentation and contracts relating to the Employee Benefit Arrangements (including pursuant to any applicable procedures under applicable Law, as appropriate), except as would not reasonably be expected to have a Material Adverse Effect.

Section 5.12 Subsidiaries; Equity Interests. Schedule 5.12 sets forth a complete and accurate list as of the Closing Date of all Subsidiaries of Parent. Schedule 5.12 sets forth as of the Closing Date the jurisdiction of formation of each such Subsidiary, whether each such Subsidiary is a Guarantor, the number of authorized shares of each class of Equity Interests of each such Subsidiary, the number of outstanding shares of each class of Equity Interests, the number and percentage of outstanding shares of each class of Equity Interests of each such Subsidiary owned (directly or indirectly) by any Person and the number and effect, if exercised, of all Equity Equivalents with respect to Equity Interests of each such Subsidiary. All the outstanding Equity Interests of each Restricted Subsidiary of Parent are validly issued, fully paid and non-assessable (to the extent applicable and except as may arise under mandatory, nonwaivable provisions of applicable law) and were not issued in violation of the preemptive rights of any shareholder and, as of the Closing Date, those owned by Parent, directly or indirectly, are free and clear of all Liens (other than those arising under the Collateral Documents). Other than as set forth on Schedule 5.12, as of the Closing Date, no such Restricted Subsidiary has outstanding any Equity Equivalents nor does any such Person have outstanding any rights to subscribe for or to purchase or any options for the purchase of, or any agreements providing for the issuance (contingent or otherwise) of, or any calls, commitments or claims of any character relating to, its Equity Interests.

Section 5.13 Margin Regulations; Investment Company Act.

(a) Neither Parent nor any of its Restricted Subsidiaries is engaged principally, or as one of its important activities, in the business of extending credit for the purpose of purchasing or carrying Margin Stock. No part of the Letters of Credit or proceeds of the Loans will be used, directly or indirectly, for the purpose of purchasing or carrying any Margin Stock in violation of Regulation U. None of the transactions contemplated by this Agreement (including the direct or indirect use of the proceeds of the Loans) will violate or result in a violation of the Securities Act, the Exchange Act or Regulation T, U or X.

(b) Neither Parent nor any of its Restricted Subsidiaries is an "investment company" registered or required to be registered under the Investment Company Act of 1940, as amended.

Section 5.14 Disclosure. (a) No written report, financial statement, certificate or other information including the Pre-Commitment Information (other than projections, budgets, estimates and other forward looking information or information of a general or industry specific nature), furnished concerning or affecting Parent or any of its Restricted Subsidiaries by or on behalf of any Loan Party to the Administrative Agent or any Lender in connection with the transactions contemplated hereby or delivered hereunder or under any other Loan Document (in each case, as modified or supplemented by other information so furnished), when taken as a whole together with all other written information provided by or on behalf of Parent and any reports filed by Parent with the SEC, contains any material misstatement of a material fact or omits to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not materially misleading. With respect to projections, budgets, estimates and other forward-looking information, Parent and the Borrower represent that such information was prepared in good faith on a basis consistent with the financial statements referred to in Section 5.05(a) and based upon assumptions believed to be reasonable by the preparer thereof at the time

made (it being understood and agreed that projections as to future events are not to be viewed as facts or guaranties of future performance, that actual results during the period or periods covered by such projections may differ from the projected results and that such differences may be material and that the Loan Parties make no representation that such projections will in fact be realized).

(b) As of the Amendment No. 2 Effective Date, to the best of the knowledge of the Parent and each Borrower, the information included in the Beneficial Ownership Certification, if applicable, is true and correct in all respects.

Section 5.15 Compliance with Law. Each of Parent and each of its Restricted Subsidiaries is in compliance with all requirements of Law (including Environmental Laws) applicable to it or to its properties, except for any such failure to comply which could not reasonably be expected to cause a Material Adverse Effect. To the knowledge of the Loan Parties, neither Parent nor any of its Restricted Subsidiaries nor any of their respective material properties or assets is in default with respect to any judgment, writ, injunction, decree or order of any court or other Governmental Authority which, individually or in the aggregate, could reasonably be expected to result in a Material Adverse Effect except as disclosed in Schedule 5.15. As of the Closing Date, except as disclosed in Schedule 5.15, neither Parent nor any of its Restricted Subsidiaries has received any written communication from any Governmental Authority that alleges that any of Parent or any of its Restricted Subsidiaries is not in compliance in any material respect with any Law, except for allegations that have been satisfactorily resolved and are no longer outstanding or which, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect.

Section 5.16 Intellectual Property. Except as set forth on Schedule 5.16, each of Parent and each of its Restricted Subsidiaries owns, or possesses the right to use, all of the trademarks, service marks, trade names, copyrights, patents, patent rights, franchises, licenses and other rights that are reasonably necessary for the operation of its respective business, without conflict with the rights of any other Person except for those conflicts which could not reasonably be expected to have a Material Adverse Effect.

Section 5.17 Use of Proceeds. The proceeds of (a) the Term Loans and Revolving Loans funded on the Closing Date will be used by Parent or its Subsidiaries on the Closing Date to consummate the Transactions and to pay related costs and expenses, (b) the Revolving Loans and the Swing Line Loans will be used by the applicable Borrower after the Closing Date to provide for ongoing working capital requirements of Parent and its Subsidiaries and for general corporate purposes (including without limitation to effect Permitted Acquisitions and to finance Consolidated Capital Expenditures) ~~and~~, (c) the Letters of Credit will be used by Parent and its Subsidiaries for general corporate purposes and (d) the Term Loans funded on the Amendment No. 2 Effective Date will be used by the Parent or its Subsidiaries on the Amendment No. 2 Effective Date to consummate Amendment No. 2 and to pay related costs and expenses. Notwithstanding the foregoing, no Irish Borrower shall use proceeds of Revolving Loans to subscribe for Equity Interests of any Person where such subscription would result in an Irish Borrower or a Subsidiary Guarantor organized under the laws of Ireland providing unlawful financial assistance within the meaning of Section 82 of the Irish Companies Act, 2014 unless the procedure set out in Section 203 of the Irish Companies Act, 2014 has been complied with prior to such subscription.

Section 5.18 Solvency. On the Closing Date, Parent and its Subsidiaries (on a consolidated basis) are and, after consummation of the Transactions and the financings related thereto, will be Solvent.

Section 5.19 Collateral Documents.

(a) *Article 9 Collateral*. The U.S. Security Agreement, when executed and delivered, is effective to create in favor of the Collateral Agent, for the benefit of the Finance Parties, a legal, valid and enforceable security interest in the Collateral described therein and, when financing statements in appropriate form are filed in the offices specified on Schedule 6 to the Perfection Certificate and the Pledged Collateral is delivered to the Collateral Agent, the U.S. Security Agreement shall constitute a fully perfected Lien on all right, title and interest of the grantors thereunder in such of the Collateral in which a security interest can be perfected under Article 9 of the UCC by filing or by possession thereof, in each case prior and superior in right to any other Person, other than with respect to Permitted Liens, and except for (i) certain items of Collateral with respect to which such Lien may be perfected only by possession thereof where the failure of the Collateral Agent to have possession thereof is expressly permitted pursuant to the U.S. Security Agreement and (ii) certain items of Collateral located in or otherwise subject to foreign law where the grant of a Lien or priority and perfection thereof in accordance with the UCC may not be recognized or enforceable.

(b) *Intellectual Property*. When financing statements in the appropriate form are filed in the offices specified on Schedule 6 to the Perfection Certificate, the Patent Security Agreement, substantially in the form of Exhibit II to the U.S. Security Agreement, and the Trademark Security Agreement, substantially in the form of Exhibit III to the U.S. Security Agreement, is filed in the United States Patent and Trademark Office and the Copyright Security Agreement, substantially in the form of Exhibit IV to the U.S. Security Agreement, is filed in the United States Copyright Office, then, to the extent that Liens may be perfected by such filings, the U.S. Security Agreement shall constitute a fully perfected Lien on all right, title and interest of the grantors thereunder in the United States patents, trademarks, copyrights, licenses and other intellectual property rights covered in such agreements, in each case prior and superior in right to any other Person (it being understood that subsequent recordings in the United States Patent and Trademark Office and the United States Copyright Office may be necessary to perfect a lien on U.S. issued patents, patent applications, registered trademarks, trademark applications and copyrights acquired by the Loan Parties after the Closing Date).

(c) *Status of Liens*. Subject to the filing by the Collateral Agent of continuation statements to the extent required by the UCC, maintaining of possession of Pledged Collateral to the extent required by the Collateral Documents and to the qualifications and limitations set forth in clauses (a) and (b) above and such other qualifications and limitations as are expressly set forth in the Loan Documents (including without limitation pursuant to the Agreed Security Principles), the Collateral Documents are sufficient to create valid and continuing liens of record and first priority perfected security interests in all the Collateral referred to therein, except (i) as priority may be affected by Permitted Liens or as a result of the Collateral Agent's failure to maintain possession of any stock certificates, promissory notes or other instruments delivered to it under the Collateral Documents and (ii) for certain items of Collateral located in or otherwise subject to foreign law where the grant of a Lien or priority and perfection thereof in accordance with the UCC may not be recognized or enforceable.

(d) *Mortgages*. Each Mortgage, when executed and delivered, is effective to create, in favor of the Collateral Agent, for its benefit and the benefit of the Finance Parties, legal, valid and enforceable first priority Liens on all of the Loan Parties' right, title and interest in and to the Mortgaged Properties thereunder and the proceeds thereof, subject only to Permitted Liens, and when the Mortgages are filed in the offices specified in the local counsel opinion delivered with respect thereto in accordance with the provisions of Section 6.09, the Mortgages shall constitute fully perfected Liens on all right, title and interest of the Loan Parties in the Mortgaged Properties and the proceeds thereof, in each case prior and superior in right to any other Person, other than Permitted Liens.

(e) *Foreign Collateral Documents*.

(i) The Irish Debenture, when executed and delivered, is effective to create in favor of the Collateral Agent, for the benefit of the Finance Parties, a legal, valid and enforceable (A) first priority security interest in the case of assets of each Loan Party incorporated in Ireland, located in Ireland which are charged by fixed charge (if any), including the shares held by Parent in the Lead Borrower; and (B) first priority security interest in the case of assets of each Loan Party incorporated in Ireland located in Ireland which are charged by floating charge (if any) subject only to any claims which may rank ahead pursuant to Section 554 of the Companies Act 2014, Section 621 of the Companies Act 2014 and, subject to the filing of details of the Irish Debenture in the Irish Companies Office in accordance with Section 409 of the Companies Act 2014, a fully perfected security interest in those assets.

(ii) The Irish Security Documents (other than the Irish Debenture), when executed and delivered, are each effective to create in favour of the Collateral Agent, for the benefit of the Finance Parties, a legal, valid and enforceable (A) first priority security interest in the case of the shares held by Jazz Financing S.à r.l. in Jazz Financing II Limited which are charged by fixed charge; (B) first priority security interest in the case of the shares held by Jazz Financing S.à r.l. in Jazz Financing II Limited and which are charged by floating charge subject only to any claims which may rank ahead pursuant to Section 554 of the Companies Act 2014, Section 621 of the Companies Act 2014 a fully perfected security interest in those assets, and (C) first priority security interest in the case of the shares held by Jazz Investments II Limited in each of Jazz Financing I ~~Limited~~Designated Activity Company and Jazz Capital Limited which are charged by fixed charge~~; (D) first priority security interest in the case of the shares held by Parent in the Lead Borrower and which are charged by floating charge subject only to any claims which may rank ahead pursuant to Section 554 of the Companies Act 2014, Section 621 of the Companies Act 2014 a fully perfected security interest in those assets; (E) first priority security interest in the case of the shares held by Parent in Jazz Ireland which are charged by fixed charge; and (D) first priority security interest in the case of the shares held by Parent in Jazz Ireland and which are charged by floating charge subject only to any claims which may rank ahead pursuant to Section 554 of the Companies Act 2014, Section 621 of the Companies Act 2014 a fully perfected security interest in those assets.~~.

(iii) The Bermuda Share Charges when executed by Parent and Jazz Ireland, as applicable, are effective to create in favor of the Collateral Agent, for the benefit of the Finance Parties, a valid, legal and enforceable security interest in the shares of the relevant Foreign Subsidiaries covered thereby and upon filing of the Bermuda Share Charge in the office of the Registrar of Companies in Bermuda will ensure that the registered security interests will have priority in Bermuda over any unregistered charges and over any subsequently registered charges, in respect of the assets which are the subject of the Bermuda Share Charges.

(iv) The Gibraltar Share Charge when executed and presented to the Gibraltar Registrar of Companies, for registration against EUSA Pharma International Limited, by Parent and Jazz Pharmaceuticals Holdings Inc. is effective to create in favor of the Collateral Agent, for the benefit of the Finance Parties, a valid, legal and enforceable security interest in the shares of EUSA Pharma International Limited.

(v) The Luxembourg Share Pledge Agreements are each effective to create in favour of the Collateral Agent, for the benefit of the Finance Parties, a legally valid and enforceable first ranking security interest (gage de premier rang) when executed and delivered by the parties thereto,

including in the case of (i) the Jazz Financing Lux Share Pledge Agreement, Jazz Financing Lux S.à r.l. and (ii) the EUSA Pharma (Luxembourg) Share Pledge Agreement, EUSA Pharma (Luxembourg) S.à r.l., and when duly registered in the register of shareholders of Jazz Financing Lux S.à r.l. and EUSA Pharma (Luxembourg) S.à r.l., as the case may be.

(vi) The Luxembourg Account Pledge Agreements are each effective to create in favour of the Collateral Agent, for the benefit of the Finance Parties, a legally valid and enforceable first ranking security interest (gage de premier rang) when executed and delivered by the parties thereto and, in order to be binding against the Account Bank (as defined in the relevant Luxembourg Account Pledge Agreement), when the relevant Luxembourg Account Pledge Agreement is notified to, and accepted by, the Account Bank in accordance with article 5.(4) of the Luxembourg act dated August 5, 2005 on financial collateral arrangements, as amended.

(vii) The French Share Charge when executed by EUSA Pharma (Luxembourg) S.à r.l. is effective to create in favor of the Collateral Agent, for the benefit of the Finance Parties, a valid, legal and enforceable security interest in the shares of EUSA Pharma Holdings SAS covered thereby.

Section 5.20 Senior Indebtedness. The Senior Credit Obligations constitute "Senior Indebtedness" (or any comparable term) under and as defined in the documentation governing any Subordinated Indebtedness.

Section 5.21 Anti-Money Laundering and Economic Sanctions Laws.

(a) Except as could not reasonably be expected to have a Material Adverse Effect, no Loan Party nor any of its Subsidiaries and, to the knowledge of Parent, none of the respective officers, directors or agents of such Loan Party or Subsidiary, with respect to the business of such Loan Party or its Subsidiary, has violated or is in violation of any applicable Anti-Money Laundering Laws.

(b) No Loan Party nor any of its Subsidiaries nor any director, officer, employee, agent, Affiliate or representative of such Loan Party or Subsidiary is a Person that is, or is owned or controlled by any Person that is (i) currently the subject or target of any Sanctions, (ii) included on OFAC's List of Specially Designated nationals, HMT's Consolidated List of Financial Sanctions Targets and the Investment Ban List, or any similar list enforced by any other relevant sanctions authority or (iii) located, organized or resident in a Designated Jurisdiction (an "Embargoed Person").

(c) The Borrowers will not, directly or indirectly, use the proceeds of the Loans or any Letter of Credit, or lend, contribute or otherwise make available proceeds of the Loans or any Letter of Credit to any subsidiary, joint venture partner or other Person, to fund any unlicensed or unauthorized activities of or business with any Person, or in a Designated Jurisdiction, or in any other manner that will result in a violation of Sanctions by Parent, any of Parent's Subsidiaries, any Agent, any Lender, the Lead Arranger or the Joint Bookrunners.

(d) Except to the extent conducted in accordance with applicable Law, no Loan Party, nor any of its Subsidiaries and, to the knowledge of Parent, none of the respective officers, directors, brokers or agents of such Loan Party or Subsidiary acting or benefiting in any capacity in connection with the Loans (i) conducts any business or engages in making or receiving any contribution of funds, goods or services to or for the benefit of any Embargoed Person, (ii) deals in, or otherwise engages in any transaction related to, any property or interests in property blocked pursuant to any Sanctions or (iii) engages in or conspires to engage in any transaction that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any of the applicable prohibitions set forth in any Economic Sanctions Laws.

(e) To each Borrower's knowledge, within the past five years, each of the Loan Parties and its Subsidiaries is in compliance in all material respects with and has not committed any material violation of applicable law or regulation, permit, order or other decision or requirement having the force or effect of law or regulation of any governmental entity concerning the importation of products, the exportation or re-exportation of products (including technology and services), the terms and conduct of international transactions and the making or receiving of international payments, including, as applicable, the Tariff Act of 1930, as amended, and other laws, regulations and programs administered or enforced by U.S. Customs and Border Protection and U.S. Immigration and Customs Enforcement, and their predecessor agencies, the Export Administration Act of 1979, as amended, the Export Administration Regulations, the International Emergency Economic Powers Act, as amended, the Trading With the Enemy Act, as amended, the Arms Export Control Act, as amended, the International Traffic in Arms Regulations, Executive Orders of the President regarding embargoes and restrictions on transactions with designated entities, the embargoes and restrictions administered by OFAC, the anti-boycott laws administered by the U.S. Department of Commerce and the anti-boycott laws administered by the U.S. Department of the Treasury.

Section 5.22 Anti-Corruption Laws. None of Parent, any Borrower and their Subsidiaries or, to the knowledge of Parent, any Borrower or any Subsidiary, any director, officer, agent, employee or Affiliate of such Loan Party or Subsidiary, is aware of or has taken any action, directly or indirectly, that could result in a violation by such persons of the Foreign Corrupt Practices Act of 1977, as amended, and the rules and regulations thereunder (the "FCPA"), the UK Bribery Act 2010 (to the extent applicable) or any other applicable anti-corruption laws, including, without limitation, making use of the mails or any means or instrumentality of interstate commerce corruptly in furtherance of an offer, payment, promise to pay or authorization or approval of the payment of any money, or other property, gift, promise to give or authorization of the giving of anything of value, directly or indirectly, to any "foreign official" (as such term is defined in the FCPA) or any foreign political party or official thereof or any candidate for foreign political office in violation of the FCPA or any other applicable anti-corruption laws. Parent, each Borrower, and its Subsidiaries and to the knowledge of Parent, each Borrower and its Subsidiaries, their respective Affiliates, have conducted their businesses in compliance, in all material respects, with the FCPA, the UK Bribery Act 2010 (to the extent applicable), and other applicable similar anti-corruption laws (collectively, the "Anti-Corruption Laws") and have instituted and maintained and will maintain policies and procedures reasonably designed to promote and achieve compliance with such laws and with the representation and warranty contained herein. The Borrowers will not, directly or indirectly, use the proceeds of the Loans or any Letter of Credit, or lend, contribute or otherwise make available proceeds of the Loans or any Letter of Credit in any manner that will result in a violation of Anti-Corruption Laws by Parent, any of Parent's Subsidiaries, any Agent, any Lender, the Lead Arranger or the Joint Bookrunners.

Section 5.23 No Default. Neither Parent nor any Subsidiary thereof is in default under or with respect to any Material Indebtedness that, either individually or in the aggregate, would reasonably be expected to have a Material Adverse Effect.

Section 5.24 Labor Relations. There are no grievances, disputes or controversies with any union or other organization of Parent's or any Subsidiary's employees, or, to Parent's knowledge, any threatened strikes, work stoppages or demands for collective bargaining, except, in each case, as would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

Section 5.25 EEA Financial Institutions. No Loan Party is an EEA Financial Institution.

ARTICLE VI.

AFFIRMATIVE COVENANTS

Until the Commitments have expired or been terminated and the principal of and interest on each Loan and all fees payable hereunder shall have been paid in full and all Letters of Credit shall have expired, terminated or been Cash Collateralized and all LC Disbursements shall have been reimbursed, each of Parent and each Borrower covenant and agree with the Lenders that:

Section 6.01 Financial Statements and Other Information. Parent will furnish to the Administrative Agent, on behalf of each Lender:

(a) within ninety (90) days after the end of each fiscal year of Parent, an audited consolidated balance sheet and related statements of operations, stockholders' equity and cash flows for Parent and its Consolidated Subsidiaries as of the end of and for such year, setting forth in each case in comparative form the figures for the previous fiscal year, with such audited balance sheet and related consolidated financial statements reported on by KPMG or other independent public accountants of recognized national standing (without a "going concern" or like qualification or exception and without any qualification or exception as to the scope of such audit) to the effect that such consolidated financial statements present fairly in all material respects the financial condition and results of operations of Parent and its Consolidated Subsidiaries on a consolidated basis in accordance with GAAP consistently applied;

(b) within forty-five (45) days after the end of each of the first three fiscal quarters of each fiscal year of Parent, commencing with the quarter ending June 30, 2015, a condensed consolidated balance sheet and related statements of income or operations and cash flows for Parent and its Consolidated Subsidiaries as of the end of and for such fiscal quarter and the then elapsed portion of the fiscal year, setting forth in each case in comparative form the figures for the corresponding period or periods of (or, in the case of the balance sheet, as of the end of) the previous fiscal year, setting forth in each case in comparative form the figures for the corresponding period or periods of (or, in the case of the balance sheet, as of the end of) the previous fiscal year, certified by one of its Financial Officers as presenting fairly in all material respects the financial condition and results of operations of Parent and its Consolidated Subsidiaries on a consolidated basis in accordance with GAAP consistently applied, subject to normal year-end audit adjustments and the absence of footnotes;

(c) concurrently with any delivery of financial statements under clause (a) or (b) above, a Compliance Certificate of a Financial Officer of Parent (i) certifying as to whether a Default has occurred and, if a Default has occurred, specifying the details thereof and any action taken or proposed to be taken with respect thereto, (ii) solely with respect to the Compliance Certificate delivered with the financial statements delivered under clause (a) above, setting forth reasonably detailed calculations of the Available Amount and (iii) demonstrating compliance with Section 7.10;

(d) concurrently with the delivery of each set of consolidated financial statements referred to in Sections 6.01(a) and 6.01(b) above, the related consolidating financial statements reflecting the adjustments necessary to eliminate the accounts of Unrestricted Subsidiaries (if any) from such consolidated financial statements;

(e) concurrently with the delivery of the certificate of a Financial Officer of Parent under clause (c) above, supplements to the exhibits to the Perfection Certificate specifying any

changes to such exhibits since the previous updating required hereby (provided that if there have been no changes to any such exhibits since the previous updating required thereby, Parent shall indicate that there has been "no change" to the applicable exhibits);

(f) within sixty (60) days after the end of each fiscal year of Parent, a copy of the plan and forecast (including a projected consolidated balance sheet, income statement (or statement of operations) and cash flow statement) of Parent for each quarter of the fiscal year then in progress as customarily prepared by management of Parent for its internal use;

(g) upon the request by the Administrative Agent, within 120 days after the end of each fiscal year of Parent, attend a conference call arranged by the Administrative Agent with all Lenders who choose to attend such call, during which call Parent shall review the financial results of the previous fiscal year, the financial condition of Parent and its Subsidiaries and the budgets presented for the current fiscal year of Parent and its Subsidiaries;

(h) promptly after any request therefor, such other information regarding the operations, business affairs and financial condition of Parent or any Restricted Subsidiary, or compliance with the terms of any Loan Document, as may be reasonably requested by the Administrative Agent or ~~by~~ any Lender through the Administrative Agent; ~~and~~

(i) promptly upon an ERISA Event or upon request by the Administrative Agent, the most recently prepared actuarial reports in relation to the Employee Benefit Arrangements for the time being operated by Parent or any of its Restricted Subsidiaries which are prepared in order to comply with the then current statutory or auditing requirements within the relevant jurisdiction. Promptly upon request by the Administrative Agent, the Lead Borrower shall also furnish the Administrative Agent and the Lenders with such additional information concerning any Plan, Foreign Pension Plan or Employee Benefit Arrangement as may be reasonably requested, including, but not limited to, with respect to any Plans, copies of each annual report/return (Form 5500 series), as well as all schedules and attachments thereto required to be filed with the Department of Labor and/or the Internal Revenue Service pursuant to ERISA and the Code, respectively, for each "plan year" (within the meaning of Section 3(39) of ERISA); and

(j) promptly following any request therefor, information and documentation reasonably requested by the Administrative Agent or any Lender for purposes of compliance with applicable "know your customer" and anti-money laundering rules and regulations, including, without limitation, the PATRIOT Act and the Beneficial Ownership Regulation.

Section 6.02 Notices of Material Events. Parent will, upon knowledge thereof by a Responsible Officer, furnish to the Administrative Agent prompt written notice of the following:

(a) the occurrence of any Default;

(b) the filing or commencement of any action, suit or proceeding by or before any arbitrator or Governmental Authority against or affecting Parent or any Affiliate thereof that would reasonably be expected to result in a Material Adverse Effect;

(c) the occurrence of any ERISA Event or similar event with respect to a Foreign Pension Plan that, alone or together with any other ERISA Events or similar events with respect to Foreign Pension Plans that have occurred, could reasonably be expected to result in a Material Adverse Effect; and

(d) any other development that results in, or could reasonably be expected to result in, a Material Adverse Effect.

Section 6.03 Existence; Conduct of Business. Parent will, and will cause each of its Restricted Subsidiaries to, do or cause to be done all things necessary to preserve, renew and keep in full force and effect its legal existence and the rights, qualifications, licenses, permits, privileges, franchises, governmental authorizations and intellectual property rights material to the conduct of its business, and maintain all requisite authority to conduct its business in each jurisdiction in which its business is conducted; except in each case to the extent (other than with respect to the preservation of the existence of Parent and each Borrower) that failure to do so would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect or pursuant to any merger, consolidation, liquidation, dissolution or Disposition permitted by Article VII.

Section 6.04 Payment of Obligations. Parent will, and will cause each of its Restricted Subsidiaries to, pay its obligations, including Tax liabilities, that, if not paid, could reasonably be expected to result in a Material Adverse Effect before the same shall become delinquent or in default, except where (a) the validity or amount thereof is being contested in good faith by appropriate proceedings, (b) Parent or such Restricted Subsidiary has set aside on its books adequate reserves with respect thereto in accordance with GAAP and (c) the failure to make payment pending such contest could not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect.

Section 6.05 Maintenance of Properties; Insurance. Parent will, and will cause each of its Restricted Subsidiaries to, (a) keep and maintain all property material to the conduct of its business, including the Mortgaged Property, in good working order and condition, ordinary wear and tear excepted, except if the failure to so keep and maintain would not reasonably be expected to have a Material Adverse Effect and (b) maintain with carriers that Parent believes are financially sound and reputable (i) insurance in such amounts (after giving effect to any self-insurance compatible with the following standards), with such deductibles and covering such risks as are prudent in the reasonable business judgment of Parent's officers and (ii) all insurance required pursuant to the Mortgages, provided that, notwithstanding the foregoing, in no event shall the Parent or any Restricted Subsidiary be required to obtain or maintain insurance that is more restrictive than its normal course of practice (it being understood that if any Mortgaged Property is in a flood hazard area, such evidence of flood insurance shall be in such amounts and in such form as reasonably acceptable to the Administrative Agent and otherwise comply with applicable Flood Laws). Each such policy of insurance shall as appropriate, (i) name the Collateral Agent as an additional insured thereunder as its interests may appear and/or (ii) in the case of each casualty insurance policy, contain a mortgagee/loss payable clause or endorsement that names the Collateral Agent as the mortgagee/loss payee thereunder.

Section 6.06 Books and Records; Inspection Rights. Parent will, and will cause each of its Restricted Subsidiaries to, keep proper books of record and account in which full, true and correct entries in conformity with GAAP and applicable law are made of all material financial dealings and transactions in relation to its business and activities. Parent will, and will cause each of its Restricted Subsidiaries to, permit any representatives designated by the Administrative Agent or any Lender (pursuant to a request made through the Administrative Agent), at reasonable times upon reasonable prior notice (but not more than once annually if no Event of Default shall exist), to visit and inspect its properties, to examine and make extracts from its books and records, including examination of its environmental assessment reports and Phase I or Phase II studies, and to discuss its affairs, finances and condition with its officers and to consent to such discussions with its independent accountants, all at such reasonable times and as often as reasonably requested. Parent acknowledges that the Administrative Agent, after exercising its rights of

inspection, may prepare and distribute to the Lenders certain reports pertaining to Parent and its Restricted Subsidiaries' assets for internal use by the Administrative Agent and the Lenders.

Section 6.07 Compliance with Laws. Parent will, and will cause each of its Subsidiaries to comply with all laws, rules, regulations and orders of any Governmental Authority applicable to it or its property, in each case except where the failure to do so, individually or in the aggregate, would not reasonably be expected to result in a Material Adverse Effect.

Section 6.08 Use of Proceeds. The Borrower will use the proceeds of the Loans and will use the Letters of Credit solely for the purposes set forth in Section 5.17. No part of the proceeds of any Loan will be used, whether directly or indirectly, for any purpose that entails a violation of any of the Regulations of the Board of Governors of the Federal Reserve System, including Regulations T, U and X.

Section 6.09 Subsidiary Guarantors; Pledges; Additional Collateral; Further Assurances.

(a) Within the time periods specified in the last paragraph of this Section 6.09, after (i) any Person becomes a Restricted Subsidiary that is not an Excluded Subsidiary or (ii) any Excluded Subsidiary that is not an Unrestricted Subsidiary ceases to be an Excluded Subsidiary (each, a "New Loan Party") (including, in each case, for the avoidance of doubt, a Restricted Subsidiary that is no longer an Excluded Subsidiary, including as a result of any Permitted Reorganization), in each case, Parent shall provide the Administrative Agent with written notice thereof setting forth information in reasonable detail describing the material assets of such New Loan Party and shall cause each such New Loan Party to deliver to the Administrative Agent (x) a guaranty or a joinder to the Guaranty Agreement in form and substance satisfactory to the Administrative Agent, guaranteeing the Finance Parties' obligations under the Finance Documents and (y) a joinder to all applicable Collateral Documents then in existence or, in the case of a Foreign Subsidiary organized in a jurisdiction with respect to which no Collateral Documents have been delivered prior to such time, new Collateral Documents substantially comparable to the Collateral Documents for other Foreign Subsidiaries (and consistent with customary collateral documents in such jurisdiction but, for the avoidance of doubt, with terms no more restrictive, when taken as a whole, than the other Collateral Documents applicable to Guarantors and without additional commercial obligations, representations, undertakings or indemnities materially broader than those contained in the Loan Documents entered into on the Closing Date unless required for the creation, perfection or effective enforcement of security), in each case as specified by, and in form and substance reasonably satisfactory to, the Administrative Agent, securing payment of all the Finance Obligations of such Subsidiary under the Finance Documents to be accompanied by appropriate corporate resolutions, other corporate documentation and customary legal opinions as may be reasonably requested by, and in form and substance reasonably satisfactory to, the Administrative Agent and its counsel; provided, however, that any such foreign guarantees and foreign security will be limited or not required as, and to the extent, set forth in the Agreed Security Principles.

(b) Subject to Section 6.09(e) and the Agreed Security Principles, Parent will cause, and will cause each other Loan Party to cause, all of its owned property (whether real, personal, tangible, intangible, or mixed but excluding Excluded Assets) to be subject at all times to perfected Liens in favor of the Collateral Agent for the benefit of the Finance Parties to secure the Finance Obligations in accordance with the terms and conditions of the Collateral Documents on a first priority basis, subject to no other Liens other than Permitted Liens. Without limiting the generality of the foregoing, but subject to Section 6.09(e) and the Agreed Security Principles, Parent (i) will cause 100% of the issued and outstanding Equity Interests of each Subsidiary directly owned by Parent or any other Loan Party (other than Excluded Assets) to be subject at all times to a perfected Lien on a first priority basis, subject to Permitted Liens, in favor of

the Administrative Agent to secure the Finance Obligations in accordance with the terms and conditions of the Collateral Documents or such other pledge and security documents as the Administrative Agent shall reasonably request and (ii) will, and will cause each other Loan Party to, deliver Mortgages with respect to each Mortgaged Property, together with Mortgage Instruments; provided that with respect to jurisdictions that impose mortgage recording taxes, the applicable Mortgage and Mortgage Instruments and any other Collateral Documents shall not secure indebtedness in an amount exceeding 105% of the fair market value of the applicable Mortgaged Property, as reasonably determined in good faith by the Loan Parties and reasonably acceptable to the Administrative Agent.

(c) Without limiting the foregoing, but in any event subject to the Agreed Security Principles, Parent will, and will cause each other Loan Party to, execute and deliver, or cause to be executed and delivered, to the Administrative Agent such documents, agreements and instruments, and will take or cause to be taken such further actions (including the filing and recording of financing statements, fixture filings, Mortgages, and other documents and such other actions or deliveries of the type required by Section 4.01, as applicable), which may be required by law or which the Administrative Agent may, from time to time, reasonably request to carry out the terms and conditions of this Agreement and the other Loan Documents and to ensure perfection and priority of the Liens created or intended to be created by the Collateral Documents, all at the expense of Parent.

(d) If any assets (including any real property or improvements thereto or any interest therein) with an aggregate fair market value greater than or equal to $10,000,000 (any real property with an aggregate fair market value greater than or equal to $10,000,000 is referred to herein as a "Material Real Property") are acquired by a Loan Party after the Closing Date (other than Excluded Assets and assets constituting Collateral under the Collateral Documents that become subject to the Lien in favor of the Collateral Agent upon acquisition thereof), Parent will notify the Administrative Agent thereof, and, if requested by the Administrative Agent, Parent will cause such assets to be subjected to a Lien securing the Finance Obligations and will take, and cause the other Loan Parties to take, such actions as shall be necessary or reasonably requested by the Administrative Agent to grant and perfect such Liens, including actions described in paragraph (c) of this Section, all at the expense of Parent and in each case, subject to the Agreed Security Principles; provided that, with respect to real property and Equity Interests, such actions will be limited to those specified in paragraph (b) of this Section; provided, however, that the applicable Loan Party shall not execute and deliver any Mortgage on any Material Real Property until (x) at least 90 days (or such shorter period as is acceptable to the Administrative Agent in its sole discretion) from the date the Lead Borrower provides the Administrative Agent with prior written notice of such acquisition of such Material Real Property, (y) each Lender has received, at least ten Business Days prior to such execution and delivery, a completed "life of the loan" Federal Emergency Management Agency Standard Flood Hazard Determination and for any Mortgaged Property with a building in a special flood hazard area, an acknowledgment by the applicable Loan Party, and evidence of flood insurance, as may be required pursuant to the Flood Laws and (z) the Borrower has received confirmation from the Administrative Agent that flood insurance due diligence and flood insurance compliance has been completed.

(e) Notwithstanding anything to the contrary set forth herein, (i) no action shall be required to perfect a security interest in letter of credit rights, other than the filing of a UCC financing statement, (ii) control agreements and perfection by "control" (other than in respect of certificated Collateral) shall not be required with respect to any Collateral, (iii) there shall be no requirement to obtain any landlord waivers, estoppels or collateral access letters, (iv) no actions outside any Covered Jurisdictions (or France, solely with respect to the Equity Interests of Material Restricted Subsidiaries organized in France) shall be required in order to create any security interests in assets located or titled outside of the Covered Jurisdictions (or France, solely with respect to the Equity Interests of Material Restricted Subsidiaries organized in France) or to perfect any security interests in such assets, including any

intellectual property registered in any jurisdiction (other than the Covered Jurisdictions and, with respect to U.S. trademark registrations or application filed under 15 U.S.C. Section 1141, WIPO) (it being understood that there shall be no security agreements or pledge agreements governed under the laws of any jurisdiction other than a Covered Jurisdiction; provided, however, that no actions in any jurisdiction outside a Loan Party's jurisdiction of organization shall be required in order to create or perfect any security interests in (x) the Equity Interests held by such Loan Party of any Person that is not a Material Restricted Subsidiary or (y) assets of such Loan Party with a fair market value less than $10,000,000 located outside such Person's jurisdiction of organization; (v) except as specified in paragraph (b) above with respect to Mortgages, no filings in respect of any Lien shall be required in any jurisdiction that impose recording fees based on the aggregate principal amount of indebtedness secured or the value of the Collateral subject to such Liens and (vi) no actions in any jurisdiction outside the United States shall be required where the cost of obtaining or perfecting a security interest in such assets exceeds the practical benefit to the Lenders afforded thereby (taking into account any documentation in any Covered Jurisdiction related thereto) as reasonably determined by the Administrative Agent in writing (in consultation with the Lead Borrower).

Notwithstanding the foregoing, (i) any deliverables delivered pursuant to this Section 6.09 as of the Closing Date shall be subject to the last paragraph of Section 4.01, (ii) with respect to any real property acquired after the Closing Date, the Loan Parties shall have ninety (90) days after the delivery of a Perfection Certificate (or supplements to the exhibits thereto) disclosing the acquisition of the applicable real property (or such later date as may be agreed upon by the Administrative Agent in the exercise of its reasonable discretion with respect thereto) to take the actions required by this Section, and (iii) with respect to any other property or assets acquired after the Closing Date or with respect to any New Loan Party, the Loan Parties shall have forty-five (45) days, or ninety (90) days in the case of the Equity Interests, property or assets of, or actions required to be taken by, any Foreign Subsidiary, after the delivery of a Perfection Certificate (or supplements to the exhibits thereto) disclosing the acquisition thereof or reflecting that such Person has become a New Loan Party (or such later date as may be agreed upon by the Administrative Agent in the exercise of its reasonable discretion with respect thereto) to take the actions required by this Section.

Section 6.10 Designation of Subsidiaries. Parent may, at any time from and after the Closing Date, designate any Restricted Subsidiary as an Unrestricted Subsidiary or any Unrestricted Subsidiary as a Restricted Subsidiary; provided that (i) immediately before and after such designation, no Default or Event of Default shall have occurred and be continuing, (ii) immediately after giving effect to such designation, Parent shall be in compliance with the covenant set forth in Section 7.10 on a pro forma basis in accordance with Section 1.03(c) (and as a condition precedent to the effectiveness of any such designation, Parent shall deliver to the Administrative Agent a certificate setting forth in reasonable detail the calculations demonstrating such compliance) and (iii) if a Restricted Subsidiary is being designated as an Unrestricted Subsidiary hereunder, such Restricted Subsidiary, together with all other Unrestricted Subsidiaries as of such date of designation, must not have contributed greater than 10% of Parent's Consolidated EBITDA (calculated inclusive of all Unrestricted Subsidiaries) for the most recent Test Period then ended. The designation of any Restricted Subsidiary as an Unrestricted Subsidiary after the Closing Date shall constitute an Investment by the applicable Loan Party therein at the date of designation in an amount equal to the fair market value of the applicable Loan Party's investment therein (as determined in good faith by Parent). The designation of any Unrestricted Subsidiary as a Restricted Subsidiary shall constitute (i) the incurrence at the time of designation of any Investment, Indebtedness or Liens of such Subsidiary existing at such time and (ii) a return on any Investment by the applicable Loan Party in Unrestricted Subsidiaries pursuant to the preceding sentence in an amount equal to the fair market value at the date of such designation of such Loan Party's Investment in such Subsidiary. Notwithstanding the foregoing, no Borrower nor any direct or indirect parent company of any Borrower shall be permitted to be an Unrestricted Subsidiary.

Section 6.11 [Reserved].

Section 6.12 Compliance with Environmental Laws. Each of the Loan Parties and Restricted Subsidiaries will comply, and use commercially reasonable efforts to cause all lessees and other Persons occupying real property of any Loan Party to comply, with all Environmental Laws and Environmental Permits applicable to its operations, real property and facilities; obtain and renew all material Environmental Permits applicable to its operations, real property and facilities; and conduct all investigations, response and other corrective actions to address the Release or threat of Release of Hazardous Materials to the extent required by, and in accordance with, Environmental Laws, except in each case for any such failure which would not be reasonably expected to have a Material Adverse Effect; provided that no Loan Party or Restricted Subsidiary shall be required to undertake any such action to the extent that its obligation to do so is being contested in good faith and by proper proceedings and appropriate reserves are being maintained with respect to such circumstances in accordance with GAAP.

Section 6.13 Post-Closing Collateral Matters. The Loan Parties shall execute and deliver the documents and complete the tasks set forth on Schedule 6.13, in each case within the time limits specified on such schedule subject to the extension by the Administrative Agent in its sole discretion.

ARTICLE VII.

NEGATIVE COVENANTS

Until the Commitments have expired or terminated and the principal of and interest on each Loan and all fees payable hereunder have been paid in full and all Letters of Credit have expired, terminated or been Cash Collateralized and all L/C Disbursements shall have been reimbursed, Parent and each Borrower covenant and agree with the Lenders that:

Section 7.01 Indebtedness. Parent will not, and will not permit any Restricted Subsidiary to, create, incur, assume or permit to exist any Indebtedness, except:

(a) the Finance Obligations;

(b) Indebtedness existing on the ~~Closing~~Amendment No. 2 Effective Date and set forth in Schedule 7.01 and any Permitted Refinancing Indebtedness in respect thereof;

(c) Indebtedness of Parent to any Subsidiary and of any Restricted Subsidiary to Parent or any other Subsidiary; provided that Indebtedness of any Restricted Subsidiary that is not a Loan Party to any Loan Party shall be subject to, and shall comply with, clause (ii) of the proviso set forth in Section 7.04(d);

(d) Guarantees by the U.S. Borrower of the USAO Settlement Obligations and (ii) Guarantees by Parent or any Restricted Subsidiary of Indebtedness or other obligations of Parent or any Subsidiary; provided that, in the case of clause (ii), the aggregate amount of Indebtedness and other payment obligations (other than in respect of any overdrafts and related liabilities arising in the ordinary course of business from treasury, depository and cash management services or in connection with any automated clearing-house transfer of funds) of Subsidiaries that are not Loan Parties that is Guaranteed by any Loan Party shall be permitted under Section 7.04(d), (u) or (w);

(e) Indebtedness of Parent or any Restricted Subsidiary incurred to finance the acquisition, construction, repair or improvement of any fixed or capital assets, including Capital Lease Obligations, Synthetic Lease Obligations and any Indebtedness assumed in connection with

the acquisition of any such assets or secured by a Lien on any such assets prior to the acquisition thereof, and any Permitted Refinancing Indebtedness in respect thereof; provided that (i) such Indebtedness (but not any Permitted Refinancing Indebtedness in respect thereof) is incurred prior to or within 270 days after such acquisition or the completion of such construction, repair or improvement and (ii) the aggregate principal amount of Indebtedness permitted by this clause (e) shall not exceed, on a pro forma basis determined in accordance with Section 1.03(c) (and, if applicable, Section 1.03(e)), immediately after giving effect to the issuance or incurrence of such Indebtedness the greater of (x) $25,000,000 and (y) 10% of Consolidated EBITDA for the most recently completed Test Period, at any time outstanding;

(f) Indebtedness of Parent or any Restricted Subsidiary as an account party in respect of trade letters of credit;

(g) Indebtedness owed in respect of any services covered by Secured Cash Management Agreements and any other Indebtedness in respect of netting services, business credit card programs, overdraft protection and other treasury, depository and cash management services or incurred in connection with any automated clearing-house transfers of funds or other payment processing services;

(h) Indebtedness under bid bonds, performance bonds, surety bonds and similar obligations, in each case, incurred by Parent or any of its Restricted Subsidiaries in the ordinary course of business, including guarantees or obligations with respect to letters of credit supporting such bid bonds, performance bonds, surety bonds and similar obligations;

(i) Indebtedness of Parent or any Restricted Subsidiary in respect of Swap Agreements entered into (i) to hedge or mitigate risks to which Parent or any Restricted Subsidiary has actual exposure (other than those in respect of Equity Interests of Parent or any of its Restricted Subsidiaries) or (ii) in order to effectively cap, collar or exchange interest rates (from fixed to floating rates, from one floating rate to another floating rate or otherwise) with respect to any interest-bearing liability or investment of Parent or any Restricted Subsidiary;

(j) Indebtedness of Foreign Subsidiaries, and guarantees thereof by Foreign Subsidiaries, in respect of local lines of credit, letters of credit, bank guarantees and similar extensions of credit, in an aggregate principal amount not to exceed, on a pro forma basis in accordance with Section 1.03(c) (and, if applicable, Section 1.03(e)), immediately after giving effect to the issuance or incurrence of such Indebtedness the greater of (x) $25,000,000 and (y) 10% of Consolidated EBITDA for the most recently completed Test Period, at any time outstanding;

(k) Guarantees of Indebtedness of directors, officers, employees, agents and advisors of Parent or any of its Restricted Subsidiaries in respect of expenses of such Persons in connection with relocations and other ordinary course of business purposes, if the aggregate amount of Indebtedness so Guaranteed, when added to the aggregate amount of unreimbursed payments theretofore made in respect of such Guarantees and the amount of loans and advances then outstanding under Section 7.04(t), shall not at any time exceed $10,000,000;

(l) Indebtedness arising from agreements providing for indemnification, adjustment of purchase price or similar obligations, or from guaranties, surety bonds or performance bonds securing the performance of Parent or any of its Restricted Subsidiaries pursuant to such agreements, in connection with Permitted Acquisitions, other Investments or acquisitions permitted hereunder or permitted Dispositions;

(m) Indebtedness representing installment insurance premiums owing in the ordinary course of business;

(n) Indebtedness representing deferred compensation, severance, pension, and health and welfare retirement benefits or the equivalent to current and former employees of Parent and its Restricted Subsidiaries incurred in the ordinary course of business or existing on the ~~Closing~~Amendment No. 2 Effective Date;

(o) unsecured Indebtedness arising out of judgments not constituting an Event of Default;

(p) Indebtedness of any Person that becomes a Restricted Subsidiary (or of any Person not previously a Subsidiary that is merged or consolidated with or into a Restricted Subsidiary in a transaction permitted hereunder) after the Closing Date, or Indebtedness of any Person that is assumed by any Restricted Subsidiary in connection with an acquisition of assets by such Restricted Subsidiary in a Permitted Acquisition, and any refinancing, renewal, extension or replacement in respect thereof; provided that (A) such Indebtedness exists at the time such Person becomes a Restricted Subsidiary (or is so merged or consolidated) or such assets are acquired and is not created in contemplation of or in connection with such Person becoming a Restricted Subsidiary (or such merger or consolidation) or such assets being acquired and (B) neither Parent nor any Restricted Subsidiary (other than such Person and its Subsidiaries or the Restricted Subsidiary with which such Person is merged or consolidated or that so assumes such Person's Indebtedness and the Subsidiaries of such Person thereby acquired) shall Guarantee or otherwise become liable for the payment of such Indebtedness;

(q) Permitted Indebtedness;

(r) other Indebtedness of Parent and its Restricted Subsidiaries in an aggregate outstanding principal amount not in excess of $~~250,000,000~~300,000,000;

(s) (i) Permitted External Credit Agreement Refinancing Indebtedness, and (ii) any Permitted Refinancing Indebtedness in respect thereof; and

(t) Indebtedness in the form of an Intercompany Note issued in connection with a Permitted Acquisition involving a tender offer followed by a short form merger (i.e. a statutory short form merger that requires no further approvals to consummate); provided that (i) such short form merger is consummated within five Business Days of the incurrence of such Indebtedness and (ii) not later than three Business Days after consummation of the related short form merger, such Indebtedness (x) is extinguished or retired or (y) otherwise becomes a permitted Investment.

The accrual of interest, the accretion of accreted value and the payment of interest in the form of additional Indebtedness shall not be deemed to be an incurrence of Indebtedness for purposes of this Section 7.01. The principal amount of any non-interest bearing Indebtedness or other discount security constituting Indebtedness at any date shall be the principal amount thereof that would be shown on a balance sheet of Parent dated such date prepared in accordance with GAAP.

Section 7.02 Liens. Parent will not, and will not permit any Restricted Subsidiary to, create, incur, assume or permit to exist any Lien on any property or asset now owned or hereafter acquired by it (other than Unrestricted Margin Stock), except the following (collectively, "Permitted Liens"):

(a) Liens created pursuant to any Loan Document;

(b) Permitted Encumbrances;

(c) any Lien on any property or asset of Parent or any Restricted Subsidiary existing on the ~~Closing~~Amendment No. 2 Effective Date and set forth in Schedule 7.02 and any modifications, renewals and extensions thereof and any Lien granted as a replacement or substitute therefor; provided that (i) such Lien shall not apply to any other property or asset of Parent or any Restricted Subsidiary other than improvements thereon or proceeds from the disposition of such property or asset and (ii) such Lien shall secure only those obligations which it secures on the ~~Closing~~Amendment No. 2 Effective Date and any Permitted Refinancing Indebtedness thereof (other than as permitted by Section 7.01);

(d) any Lien existing on any property or asset prior to the acquisition thereof by Parent or any Restricted Subsidiary or existing on any property or asset of any Person that becomes a Restricted Subsidiary (or of any Person not previously a Subsidiary that is merged or consolidated with or into a Subsidiary in a transaction permitted hereunder) after the Closing Date prior to the time such Person becomes a Restricted Subsidiary (or such merger or consolidation occurs) and any modifications, replacements, renewals or extensions thereof; provided that (i) such Lien is not created in contemplation of or in connection with such acquisition or such Person becoming a Restricted Subsidiary (or such merger or consolidation), as the case may be, (ii) such Lien shall not apply to any other property or assets of any Borrower or any Restricted Subsidiary (other than, in the case of any such merger or consolidation, the assets of any Subsidiary without significant assets that was formed solely for the purpose of effecting such acquisition) and (iii) such Lien shall secure only those obligations which it secures on the date of such acquisition or the date such Person becomes a Restricted Subsidiary (or is so merged or consolidated), as the case may be, and any refinancing, extensions, renewals or replacements thereof that do not increase the outstanding principal amount thereof (other than as permitted by Section 7.01);

(e) Liens on fixed or capital assets acquired, constructed or improved by Parent or any Restricted Subsidiary; provided that (i) such Liens secure Indebtedness permitted by clause (e) of Section 7.01 and obligations relating thereto not constituting Indebtedness in respect thereof and (ii) such Liens shall not apply to any other property or assets of Parent or any Restricted Subsidiary other than improvements thereon or proceeds from the disposition of such property or assets; provided further that in the event Indebtedness under Section 7.01(e) is owed to any Person with respect to financing under a single credit facility of more than one purchase of any fixed or capital assets, such Liens may secure all such purchase money obligations and may apply to all such fixed or capital assets financed by such Person under such credit facility;

(f) (i) Dispositions of assets not prohibited by Section 7.03 and in connection therewith, customary rights and restrictions contained in agreements relating to such Dispositions pending the completion thereof, or in the case of a license, during the term thereof and (ii) any option or other agreement to Dispose any asset not prohibited by Section 7.03;

(g) in the case of (A) any Subsidiary that is not a Wholly Owned Subsidiary or (B) the Equity Interests in any Person that is not a Subsidiary, any encumbrance or restriction, including any put and call arrangements, related to Equity Interests in such Subsidiary or such other Person set forth in the Organization Documents of such Subsidiary or such other Person or any related joint venture, shareholders' or similar agreement;

(h) any interest or title of a lessor under any lease or sublease entered into by Parent or any Restricted Subsidiary in the ordinary course of its business and other statutory and common law landlords' liens under leases;

(i) any interest or title of a licensor under any license or sublicense entered into by Parent or any Restricted Subsidiary as a licensee or sublicensee (A) existing on the ~~Closing~~Amendment No. 2 Effective Date or (B) in the ordinary course of its business;

(j) licenses, sublicenses, leases or subleases granted to other Persons permitted under Section 7.03;

(k) Liens on earnest money deposits of cash or ~~cash equivalents~~Permitted Investments made, or escrow or similar arrangements entered into, in connection with any Permitted Acquisition or other Investment permitted pursuant to Section 7.04 or other acquisitions not prohibited hereunder;

(l) Liens in the nature of the right of setoff in favor of counterparties to contractual agreements with the Loan Parties in the ordinary course of business;

(m) Liens arising out of conditional sale, title retention, consignment or similar arrangements for the sale of goods entered into by Parent or any Restricted Subsidiary in the ordinary course of business;

(n) Liens (i) in favor of customs and revenue authorities arising as a matter of law to secure payment of customs duties in connection with the importation of goods in the ordinary course of business and (ii) on specific items of inventory or other goods and proceeds thereof of any Person securing such Person's obligations in respect of bankers' acceptances or letters of credit issued or created for the account of such person to facilitate the purchase, shipment or storage of such inventory or such other goods in the ordinary course of business;

(o) Liens on the assets and equity interests of non-Guarantor Foreign Subsidiaries that secure only Indebtedness or other obligations of such non-Guarantor Foreign Subsidiaries permitted hereunder;

(p) Liens on insurance policies and the proceeds thereof securing Indebtedness permitted by Section 7.01(m);

(q) Liens (i) of a collection bank arising under Section 4-208 of the UCC (or other applicable Law) on the items in the course of collection, and (ii) attaching to commodity trading accounts or other commodities brokerage accounts incurred in the ordinary course of business and not for speculative purposes;

(r) Liens in favor of any Borrower or any Guarantor securing Indebtedness permitted under Section 7.01(c);

(s) Liens on the Collateral securing Indebtedness permitted pursuant to Section 7.01(s); provided that such Liens shall either be (i) *pari passu* with the Liens on the Collateral securing the Senior Credit Obligations on the terms set forth in a First Lien Intercreditor Agreement or (ii) junior to the Liens on the Collateral securing the Finance Obligations on the terms set forth in a Second Lien Intercreditor Agreement;

(t) Liens securing Indebtedness permitted by Section 7.01(t), solely to the extent required by applicable Law; and

(u) Liens on assets of Parent and its Restricted Subsidiaries not otherwise permitted above so long as the aggregate amount of obligations subject to such Liens does not immediately after giving effect to the incurrence of such obligations exceed the greater of (x) $30,000,000 and (y) 10% of Consolidated EBITDA for the most recently completed Test Period.

In addition to the foregoing, Parent will not, and will not permit any Restricted Subsidiary to, create, incur, assume or permit to exist any Lien on or over the Equity Interests of Jazz Pharmaceuticals Italy S.p.A or any of its successors (or any Italian parent company of Gentium), except for Permitted Encumbrances; provided that the additional limitation described in this paragraph shall cease to be effective upon the earlier of (i) the date on which Jazz Pharmaceuticals Italy S.p.A or such successor ceases to constitute a Material Restricted Subsidiary or (ii) the date on which such Equity Interests are pledged pursuant to Italian Collateral Documents.

Section 7.03 Fundamental Changes and Asset Sales.

(a) Parent will not, and will not permit any Restricted Subsidiary to, merge into or consolidate with any other Person, or permit any other Person to merge into or consolidate with it, or sell, transfer, lease, Exclusively License or otherwise ~~dispose~~Dispose of (in one transaction or in a series of transactions) any of its assets (other than Unrestricted Margin Stock) (including pursuant to a Sale/Leaseback Transaction), or any of the Equity Interests (other than Unrestricted Margin Stock) of any of its Subsidiaries (in each case, whether now owned or hereafter acquired), or liquidate or dissolve, except that:

(i) any Person may merge into or consolidate with a Borrower or Parent in a transaction in which such Borrower or Parent, as applicable, is the surviving corporation;

(ii) any Person (other than Parent and each Borrower) may merge into or consolidate with any Restricted Subsidiary in a transaction in which the surviving entity is such Restricted Subsidiary (provided that any such merger, consolidation or liquidation involving a Subsidiary Guarantor must result in the surviving entity becoming a Subsidiary Guarantor);

(iii) any Restricted Subsidiary (other than a Borrower) may merge into or consolidate with any Person in a transaction permitted under clauses (xiv), (xv) and (xvii) hereunder in which the surviving entity is not a Subsidiary;

(iv) any Restricted Subsidiary (other than a Borrower) may Dispose of any or all of its assets (upon voluntary liquidation, dissolution or otherwise) to Parent or any other Loan Party;

(v) any Restricted Subsidiary (other than a Borrower) may liquidate or dissolve if Parent determines in good faith that such liquidation or dissolution is in the best interests of Parent and is not materially disadvantageous to the Lenders;

(vi) sales, transfers and other Dispositions of inventory, used, worn out, obsolete or surplus property, cash and Permitted Investments in the ordinary course of business and the assignment, cancellation, abandonment or other Disposition of intellectual property that is, in the reasonable judgment of Parent, no longer economically practicable to maintain or useful in the conduct of the business of Parent and the Restricted Subsidiaries, taken as a whole;

(vii) Dispositions to Parent or any Restricted Subsidiary; provided that (i) any such Disposition made by a Loan Party to a Restricted Subsidiary that is not a Loan Party shall be made in compliance with Section 7.04 and (ii) Equity Interests of a Loan Party may not be transferred to a Subsidiary that is not a Loan Party;

(viii) the discount or sale, in each case without recourse and in the ordinary course of business, of past due receivables arising in the ordinary course of business, but only in connection with the compromise or collection thereof consistent with customary industry practice (and not as part of any bulk sale or financing of receivables);

(ix) leases, subleases, non-Exclusive Licenses or sublicenses of property to other Persons in the ordinary course of business not materially interfering with the business of Parent and the Restricted Subsidiaries taken as a whole;

(x) Liens permitted by Section 7.02;

(xi) Investments permitted by Section 7.04;

(xii) subject to Section 2.09(c)(iii), dispositions of property as a result of a Casualty Event involving such property or any disposition of real property to a Governmental Authority as a result of a Condemnation of such real property;

(xiii) Permitted Exchanges;

(xiv) Dispositions of investments in joint ventures or investments in Persons that are not Subsidiaries, to the extent required by, or made pursuant to buy/sell arrangements between the joint venture parties or investors set forth in joint venture arrangements, investor rights agreements and/or similar binding arrangements;

(xv) sales or other Dispositions of non-core assets acquired in any Permitted Acquisition or other Investment; provided that such sales shall be consummated within two years of such acquisition or Investment; and provided, further, that ~~(i)~~ the consideration received for such assets shall be in an amount at least equal to the fair market value thereof (determined in good faith by the Board of Directors of Parent) ~~and (ii) either (A) no less than 75% thereof (excluding any consideration arising from the assumption of liabilities other than Indebtedness) shall be paid in cash, or (B) a Borrower, substantially concurrently with the receipt of any non-cash consideration (and in any event within one Business Day), prepays (or cause to be prepaid) the Loans in an amount equal to the amount by which the fair market value of the non-cash consideration exceeds 25% of such consideration, such prepayment to be made in accordance with Section 2.09(c)(iii);~~;

(xvi) any Immaterial Asset Sale;

(xvii) Dispositions of assets that are not permitted by any other clause of this Section 7.03; provided that the Disposition Consideration of all assets sold, transferred, leased or otherwise ~~disposed~~Disposed of, and of all assets Exclusively Licensed in reliance on this clause (xvii) shall not at the time of and immediately after giving effect to any such transaction exceed $200,000,000 in any fiscal year; and provided, further, that (i) the consideration received for such assets shall be in an amount at least equal to the fair market value thereof (determined in good faith by the Board of Directors of Parent) and (ii) no less than 75% thereof ~~(excluding~~shall be paid in cash or Permitted Investments; it being understood that solely for purposes of the 75% cash consideration requirement set forth in this clause (xvii) and clause (xxi) below, any consideration represented by

deferred cash consideration (including, without limitation, any consideration arising from the assumption of liabilities other than Indebtedness~~) shall be paid in cash~~, purchase price adjustment, Milestone Payment, royalty, earnout, contingent payment, back-end payment or any other deferred payment of a similar nature that may be payable in connection with any such asset Disposition) shall be excluded from such calculation altogether;

(xviii) the surrender, waiver or settlement of contractual rights in the ordinary course of business, or the surrender, waiver or settlement of claims and litigation claims (whether or not in the ordinary course of business);

(xix) Dispositions of Equity Interests in any Subsidiary acquired in connection with any a Permitted Acquisition prior to the time of such Subsidiary becoming a Wholly Owned Subsidiary, in each case pursuant to any stock appreciation rights, plans, equity incentive or achievement plans or any similar plans or the exercise of warrants, options or other securities convertible into or exchangeable for the Equity Interests of such Subsidiary, so long as such rights, plans, warrants, options or other securities were not entered into or issued in connection with or in contemplation of such person becoming a Subsidiary;

(xx) any Permitted Reorganization; and

(xxi) Dispositions of assets that are not permitted by any other clause of this Section 7.03; provided that the applicable Borrower shall substantially concurrently (and in any event within one Business Day) apply 100% of the Net Cash Proceeds thereof to prepay (or cause to be prepaid) the Loans in accordance with Section 2.09(c)(iii) ~~(it being understood that such Net Cash Proceeds shall not constitute Reinvestment Funds)~~; and provided, further, that (i) the consideration received for such assets shall be in an amount at least equal to the fair market value thereof (determined in good faith by the Board of Directors of Parent) and (ii) no less than 75% thereof ~~(excluding~~shall be paid in cash or Permitted Investments; it being understood that solely for purposes of the 75% cash consideration requirement set forth in this clause (xxi) and clause (xvii) above, any consideration represented by deferred cash consideration (including, without limitation, any consideration arising from the assumption of liabilities other than Indebtedness~~) shall be paid in cash~~, any purchase price adjustment, Milestone Payment, royalty, earnout, contingent payment, back-end payment or any other deferred payment of a similar nature that may be payable in connection with any such asset Disposition) shall be excluded from such calculation altogether.

(b) Parent will not, and will not permit any of its Restricted Subsidiaries to, engage to any material extent in any business other than businesses of the type conducted by Parent and its Restricted Subsidiaries on the date of execution of this Agreement and businesses reasonably related or ancillary thereto or similar or complementary thereto or reasonable extensions thereof.

(c) Parent will not~~, nor will it permit any of its Restricted Subsidiaries to,~~ change its fiscal year from the basis in effect on the Closing Date; provided, however, that ~~the Loan Parties~~Parent may, upon written notice to the Administrative Agent, change ~~their respective~~its fiscal ~~years~~year to any other fiscal year reasonably acceptable to the Administrative Agent, in which case, the Lead Borrower and the Administrative Agent will, and are hereby authorized by the Lenders to, make any adjustments to this Agreement that are necessary to reflect such change in fiscal year.

Section 7.04 Investments, Loans, Advances, Guarantees and Acquisitions. Parent will not, and will not permit any of its Restricted Subsidiaries to, (i) purchase, hold or acquire (including pursuant to any merger or consolidation with any Person that was not a Wholly Owned Restricted Subsidiary prior to such merger) any Equity Interest, evidences of Indebtedness or other securities

(including any option, warrant or other right to acquire any of the foregoing) of, make or permit to exist any loans or advances to, Guarantee any obligations of, or make or permit to exist any investment or any other interest in, any other Person, (ii) purchase or otherwise acquire (in one transaction or a series of transactions) substantially all the assets of any Person or any assets of any other Person constituting a business unit, division, product line (including rights in respect of any drug or other pharmaceutical product) or line of business of such Person, or (iii) acquire an Exclusive License of rights to a drug or other product line of any Person (each, an "Investment") except:

(a) cash and Permitted Investments;

(b) Permitted Acquisitions;

(c) Investments by Parent and its Restricted Subsidiaries existing on the ~~Closing~~Amendment No. 2 Effective Date or made by Parent and its Restricted Subsidiaries pursuant to legally binding written contracts in existence on the ~~Closing~~Amendment No. 2 Effective Date, in each case, set forth on Schedule 7.04 and any modification, replacement, reinvestment, renewal or extension thereof to the extent not involving any additional net Investment;

(d) Investments made by Parent in or to any Restricted Subsidiary and made by any Restricted Subsidiary in or to Parent or any other Restricted Subsidiary and Guarantees by Parent or any Restricted Subsidiary of obligations of any other Restricted Subsidiary; provided that (i) the amount of any Investment under this clause (d) by a Loan Party in a Restricted Subsidiary which is not a Loan Party made after the Closing Date or constituting a Guarantee of obligations of any Restricted Subsidiary that is not a Loan Party made after the Closing Date shall not exceed, together with the aggregate amount of all other Investments made pursuant to this proviso, $100,000,000 at any time outstanding (excluding any intercompany accounts payable and receivable, guarantee fees and transfer pricing arrangements), and (ii) in the case of any intercompany Indebtedness (other than Indebtedness among Subsidiaries that are not Loan Parties and, for the avoidance of doubt, any intercompany accounts payable and receivable, guarantee fees and transfer pricing arrangements), (A) to the extent such intercompany Indebtedness is in an aggregate principal amount exceeding $10,000,000, such intercompany Indebtedness shall be evidenced by a promissory note (which shall be substantially in the form of Exhibit H hereto or such other form as is reasonably acceptable to the Administrative Agent), (B) each promissory note evidencing intercompany Indebtedness owed by any Loan Party to a Subsidiary that is not a Loan Party shall contain the subordination provisions set forth in Exhibit I and (C) such Indebtedness and each promissory note evidencing such intercompany Indebtedness held by a Loan Party shall be pledged to the Collateral Agent pursuant to the applicable Collateral Documents to the extent required thereby;

(e) Guarantees constituting Indebtedness permitted by Section 7.01;

(f) Investments received in connection with the bankruptcy or reorganization of, or settlement of delinquent accounts and disputes with, customers and suppliers, in each case in the ordinary course of business;

(g) Investments made as a result of the receipt of non-cash consideration from a Disposition, of any asset in compliance with Section 7.03;

(h) Investments in the form of Swap Agreements entered into (i) to hedge or mitigate risks to which Parent or any Restricted Subsidiary has actual exposure (other than those in respect

of Equity Interests of Parent or any of its Restricted Subsidiaries) or (ii) in order to effectively cap, collar or exchange interest rates (from fixed to floating rates, from one floating rate to another floating rate or otherwise) with respect to any interest-bearing liability or investment of Parent or any Restricted Subsidiary;

(i) payroll, travel and similar advances to directors, officers and employees of Parent, any Borrower or any Restricted Subsidiary that are made in the ordinary course of business;

(j) extensions of trade credit in the ordinary course of business;

(k) Investments to the extent the consideration paid therefor consists of Equity Interests (other than Disqualified Capital Stock) of Parent;

(l) Investments of any Person in existence at the time such Person becomes a Restricted Subsidiary; provided such Investment was not made in connection with or anticipation of such Person becoming a Restricted Subsidiary and any modification, replacement, renewal or extension thereof;

(m) the purchase by Parent or any Restricted Subsidiary of any call option (or similar instrument) to purchase Equity Interests (other than Disqualified Capital Stock) of Parent entered into contemporaneously and otherwise in connection with the issuance of convertible or exchangeable debt securities otherwise permitted to be issued under this Agreement; provided that (i) the aggregate consideration for such call option or options shall not exceed $75,000,000 million plus the amount of any Net Cash Proceeds received by Parent from the sale of any warrants (or similar instruments) to sell Equity Interests (other than Disqualified Capital Stock) of Parent entered into contemporaneously and otherwise in connection with the purchase of such option or options and issuance of such convertible or exchangeable debt securities and (ii) after giving effect to any such issuance of convertible or exchangeable debt securities (x) the Total Leverage Ratio shall be less than or equal to 3.00 to 1.00 and (y) the Secured Leverage Ratio shall be less than or equal to 2.25 to 1.00, in each case, as of the end of the most recently completed Test Period on a pro forma basis in accordance with Section 1.03(c) (and, if applicable, Section 1.03(e));

(n) any customary upfront milestone, marketing or other funding payment in the ordinary course of business to another Person in connection with obtaining a right to receive royalty or other payments in the future;

(o) transfers of intellectual property to Foreign Subsidiaries, the Equity Interests of which are directly owned by or on behalf of any Loan Party and are pledged to the Administrative Agent pursuant to the Collateral Documents (including any local law governed pledge agreement requested by the Administrative Agent);

(p) Exclusive Licenses from a Restricted Subsidiary that is not a Loan Party to a Loan Party of rights to a drug or other pharmaceutical products, diagnostics, delivery technologies, medical devices or biotechnology businesses; provided that such drug or other pharmaceutical products, diagnostics, delivery technologies, medical devices or biotechnology businesses was not acquired by such Restricted Subsidiary in an acquisition prohibited by Section 7.03;

(q) Investments in joint ventures (including JV Subsidiaries) and acquisitions of Equity Interests that would constitute Permitted Acquisitions but for the fact that Persons in which such Equity Interests are acquired do not become Wholly Owned Subsidiaries of Parent; provided that the sum of the aggregate amount of such Investments, plus the aggregate consideration paid in

all such acquisitions, made under this clause (q) after the ~~Closing~~Amendment No. 2 Effective Date shall not exceed $50,000,000 at any time outstanding;

(r) Permitted Foreign Loans;

(s) Investments consisting of Permitted Liens, Investments in the ordinary course of business consisting of Uniform Commercial Code Article 3 endorsements for collection or deposit and Article 4 customary trade arrangements with customers consistent with past practices;

(t) loans or advances to directors and employees of Parent or any Restricted Subsidiary made in the ordinary course of business; provided that the aggregate amount of such loans and advances outstanding, when aggregated with the Guarantees then outstanding under Section 7.01(k), at any time shall not exceed $10,000,000;

(u) any other Investment so long as the aggregate amount of all such Investments made after the ~~Closing~~Amendment No. 2 Effective Date does not exceed the greater of $~~300,000,000~~500,000,000 and 10.0% of Consolidated Total Assets at any time outstanding;

(v) any Permitted Reorganization;

(w) Parent and its Restricted Subsidiaries may make additional Investments using the Available Amount so long as the Available Amount Conditions have been met; and

(x) Investments made by Jazz Financing Lux S.à r.l. in or to Arrivo ~~purusant~~pursuant to the Arrivo Agreement; provided that the aggregate amount of Investments made pursuant to the Arrivo Agreement shall not ~~exceeed~~exceed $25,000,000.

For purposes of covenant compliance with this Section 7.04, the amount of any Investment shall be the amount actually invested, without adjustment for subsequent increases or decreases in the value of such Investment or accrued and unpaid interest or dividends thereon, less any amount paid, repaid, returned, distributed or otherwise received in cash in respect of such Investment. For purposes of clause (q), clause (u), clause (w) and clause (x) of this Section 7.04, the aggregate consideration payable for any Investment shall be the cash amount paid on or prior to the consummation of such Investment and shall not include any purchase price adjustment, Milestone Payment, royalty, earnout, contingent payment, back-end payment or any other deferred payment of a similar nature that may be payable in connection therewith. Notwithstanding anything to the contrary in the foregoing, Parent will not, and will not permit any of its Restricted Subsidiaries to, acquire any Unrestricted Margin Stock except to the extent it is acquired in connection with a Permitted Acquisition.

Section 7.05 Transactions with Affiliates. Parent will not, and will not permit any of its Restricted Subsidiaries to, sell, lease or otherwise transfer any property or assets to, or purchase, lease or otherwise acquire any property or assets from, or otherwise engage in any other transactions with, any of its Affiliates (other than Parent or any Restricted Subsidiary), except (a) transactions that are on terms and conditions not materially less favorable to Parent or such Restricted Subsidiary than it would obtain on an arm's-length basis from a Person that is not an Affiliate, (b) any Restricted Payment permitted by Section 7.06, (c) customary fees paid and indemnifications provided to directors of Parent and its Restricted Subsidiaries, (d) any Permitted Reorganization, (e) compensation and indemnification of, and other employment agreements and arrangements, employee benefit plans, and stock incentive plans with, directors, officers and employees of Parent or any Restricted Subsidiary entered in the ordinary course of business, (f) Investments permitted by Section 7.04, (g) leases or subleases of property in the ordinary course of business not materially interfering with the business of Parent and the Restricted Subsidiaries

taken as a whole, (h) transactions between or among Parent and/or any Restricted Subsidiary and any entity that becomes a Restricted Subsidiary as a result of such transaction; (i) transactions relating to compliance with the USAO Settlement Obligations; (j) the payment of fees, expenses and indemnities and other payments pursuant to, and the transactions pursuant to, the agreements set forth on Schedule 7.05 (as such agreements are in effect on the ~~Closing~~Amendment No. 2 Effective Date), and (k) the granting of registration and other customary rights in connection with the issuance of Equity Interests by Parent not otherwise prohibited by the Loan Documents.

Section 7.06 Restricted Payments. Parent will not, and will not permit any of its Restricted Subsidiaries to, declare or make, or agree to pay or make (unless such agreement is contingent upon such Restricted Payment not being prohibited by this Agreement), directly or indirectly, any Restricted Payment, except:

(a) Parent may declare and pay dividends or make other Restricted Payments with respect to Equity Interests payable solely in additional Equity Interests of Parent (other than Disqualified Capital Stock);

(b) Parent and any Restricted Subsidiaries may repurchase (i) Equity Interests upon the exercise of Equity Equivalents if such Equity Interests represent a portion of the exercise price of such Equity Equivalents and (ii) Equity Interests from any current or former officer, director, employee or consultant to comply with Tax withholding obligations relating to Taxes payable by such person upon the grant or award of such Equity Interests (or upon vesting thereof);

(c) Parent and any Restricted Subsidiaries may make cash payments in lieu of the issuance of fractional shares in connection with the exercise or conversion of Equity Equivalents;

(d) Any Restricted Subsidiary may declare and pay dividends or make other distributions to the holders of its Equity Interests; provided that in the case of a dividend or other distribution by a non-Wholly Owned Restricted Subsidiary, such dividends or distributions shall be made ratably with respect to their Equity Interests;

(e) Parent and any Restricted Subsidiaries may make Restricted Payments pursuant to and in accordance with stock incentive plans or other employee benefit plans for directors, officers or employees of Parent and its Subsidiaries;

(f) so long as no Default or Event of Default has occurred and is continuing or would arise after giving effect (including pro forma effect) thereto, Parent and any Restricted Subsidiaries may purchase Equity Interests from present or former officers, directors or employees of Parent or any Subsidiary upon the death, disability, retirement or termination of employment or service of such officer, director or employee, in an aggregate amount not exceeding $10,000,000 in any fiscal year of Parent;

(g) Parent or any Restricted Subsidiary may purchase any call option (or similar instrument) to purchase Equity Interests (other than Disqualified Capital Stock) of Parent permitted under Section 7.04(m) and exercise any call or similar rights thereunder; provided that after giving effect to the issuance of the convertible or exchangeable debt securities referred to in Section 7.04(m), (x) the Total Leverage Ratio shall be less than or equal to 3.00 to 1.00 and (y) the Secured Leverage Ratio shall be less than or equal to 2.25 to 1.00, in each case as of the end of the most recently completed Test Period and on a pro forma basis in accordance with Section 1.03(c);

(h) the payment of any dividend or distribution, or the consummation of any irrevocable redemption, within 60 days after the date of declaration of the dividend or distribution or giving of the redemption notice, as the case may be, if at such date of declaration or redemption notice such dividend, distribution or redemption, as the case may be, would have complied with this Section 7.06;

(i) so long as no Default or Event of Default has occurred and is continuing or would arise after giving effect (including pro form effect) thereto, Parent and its Restricted Subsidiaries may make Restricted Payments; provided however to the extent, after giving effect (including pro forma effect) to any such Restricted Payments, the Total Leverage Ratio is in excess of 2:00:1.00, the aggregate amount of such Restricted Payments shall not exceed the sum of (i) $100,000,000 and (ii) if the Available Amount Conditions have been met, the Available Amount;

(j) other Restricted Payments of Parent and its Restricted Subsidiaries in an aggregate amount not to exceed $30,000,000 during the term of this Agreement; and

(k) Parent and its Restricted Subsidiaries may purchase any remaining outstanding Equity Interests (and any Equity Equivalents) of any Subsidiary acquired in an Investment made in compliance with Section 7.04 that was structured as a tender offer pursuant to which not less than a majority of such Subsidiary's Equity Interests was acquired.

Section 7.07 Restrictive Agreements. Parent will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, enter into, incur or permit to exist any agreement or other arrangement that prohibits, restricts or imposes any condition upon (a) the ability of Parent or any Restricted Subsidiary to create, incur or permit to exist any Lien upon any of its property or assets (other than Unrestricted Margin Stock), or (b) the ability of any Restricted Subsidiary to pay dividends or other distributions with respect to holders of its Equity Interests or to make or repay loans or advances to Parent or any other Restricted Subsidiary or to Guarantee Indebtedness of Parent or any other Restricted Subsidiary; provided that (i) the foregoing shall not apply to:

(a) restrictions and conditions imposed by Law or by any Loan Document;

(b) restrictions and conditions existing on the ~~Closing~~Amendment No. 2 Effective Date identified on Schedule 7.07 and any amendments or modifications thereof that do not materially expand the scope of any such restriction or condition taken as a whole;

(c) restrictions and conditions imposed by agreements of any Restricted Subsidiary in existence at the time such Restricted Subsidiary became a Restricted Subsidiary and any amendments or modifications thereof that do not materially expand the scope of any such restriction or condition taken as a whole, provided that such restrictions and conditions apply only to such Restricted Subsidiary;

(d) customary restrictions and conditions contained in agreements relating to the sale of a Subsidiary pending such sale, provided such restrictions and conditions apply only to the Subsidiary (or the Equity Interests thereof) that is to be sold and such sale is permitted hereunder;

(e) restrictions imposed by any amendment or refinancings that are otherwise permitted by the Loan Documents or the contracts, instruments or obligations referred to in clauses (A), (B) or (C) of this Section 7.07, provided that such amendments or refinancings do not materially expand the scope of any such restriction or condition;

(f) any restriction arising under or in connection with any agreement or instrument governing Equity Interests of any joint venture (including any JV Subsidiary) or Person that is not a Subsidiary that is formed or acquired after the Closing Date;

(g) customary restrictions and conditions contained in any agreement relating to the Disposition of any property permitted by Section 7.03 pending the consummation of such Disposition;

(h) customary provisions restricting the transfer or encumbrance of the specific property subject to a Permitted Lien;

(i) restrictions or conditions set forth in any agreement governing Indebtedness permitted by Section 7.01 (including any Permitted External Credit Agreement Refinancing Indebtedness); provided that such restrictions and conditions are customary for such Indebtedness and are no more restrictive, taken as a whole, than the comparable restrictions and conditions set forth in this Agreement as determined in the good faith judgment of the Board of Directors of Parent;

(j) customary provisions restricting assignment of any agreement entered into in the ordinary course of business; and

(k) restrictions on cash or other deposits (including escrowed funds) or net worth imposed under contracts entered into in the ordinary course of business;

and (ii) clause (a) of the foregoing shall not apply to (1) restrictions or conditions imposed by any agreement relating to secured Indebtedness permitted by this Agreement secured by specific assets if such restrictions or conditions apply only to the specific assets securing such Indebtedness and (2) customary provisions in leases, subleases, licenses, sublicenses and other agreements entered into in the ordinary course of business.

Section 7.08 Amendments to Subordinated Indebtedness Documents or Organization Documents; Prepayments of Indebtedness.

(a) Neither Parent nor any Restricted Subsidiary will (i) amend, modify or waive any of its rights under any agreement or instrument governing or evidencing any Subordinated Indebtedness to the extent such amendment, modification or waiver would reasonably be expected to be adverse in any material respect to the Lenders or (ii) amend or otherwise modify any of their Organization Documents to the extent such amendment or modification would reasonably be expected to be adverse in any material respect to the Lenders; provided that the re-domiciling of any Restricted Subsidiary in connection with any Permitted Reorganization, and amendments to the Organization Documents thereof in connection therewith, shall not be deemed to be adverse to the Lenders.

(b) Neither Parent nor any of its Restricted Subsidiaries will (i) voluntarily redeem, purchase, prepay, retire, defease or otherwise acquire for value prior to scheduled maturity, scheduled repayment or scheduled sinking fund payment any Indebtedness incurred pursuant to Section 7.01(q) or any Subordinated Indebtedness ~~or unsecured Indebtedness for borrowed money (in each case~~ (other than intercompany Indebtedness among Parent, any Borrower and the Restricted Subsidiaries), or set aside any funds for such purpose, except any purchase, prepayment, retirement, defeasance or acquisition of such Indebtedness in connection with a refinancing of such Indebtedness with Permitted Refinancing Indebtedness thereof or (ii) make any cash interest payment in respect of Subordinated Indebtedness (other than regularly scheduled interest payments as and when due in respect of Subordinated Indebtedness

permitted under this Agreement if such payments are not then prohibited by the subordination provisions thereof, which shall be permitted) (all such payments set forth in clauses (i) and (ii), "Junior Debt Payments"), except Parent and its Restricted Subsidiaries may make additional Junior Debt Payments using the Available Amount so long as the Available Amount Conditions have been met.

(c) Neither Parent nor any of its restricted Subsidiaries will release, cancel, compromise or forgive in whole or in part any Indebtedness evidenced by any Intercompany Note (unless either a Loan Party is the obligor with respect to such Indebtedness or the release, cancellation, compromise or forgiveness thereof is otherwise permitted pursuant to Section 7.04).

Section 7.09 Sale/Leaseback Transactions. None of Parent or any Restricted Subsidiary will enter into any Sale/Leaseback Transaction unless (a) the sale or transfer of the property thereunder is permitted by Section 7.03, (b) any Capital Lease Obligations and Synthetic Lease Obligations arising in connection therewith are permitted by Section 7.01 and (c) any Liens arising in connection therewith (including Liens deemed to arise in connection with any such Capital Lease Obligations and Synthetic Lease Obligations) are permitted by Section 7.02.

Section 7.10 Financial Covenants.

(a) *Maximum Secured Leverage Ratio*. Parent will not permit the Secured Leverage Ratio with respect to any Test Period (commencing with the Test Period ending September 30, 2015) to be greater than 3.00:1.00; *provided* that Parent shall be permitted, upon written notice to the Administrative Agent, up to two times during the period commencing on the Closing Date and ending on the Maturity Date, solely in connection with any Permitted Acquisition that involves the payment of aggregate consideration by Parent and its Restricted Subsidiaries in excess of $250,000,000 (a "Relevant Acquisition"), to increase such maximum Secured Leverage Ratio to 3.50 to 1.00 for the next two Test Periods following the closing date of such Material Acquisition (and for the current period in connection with testing compliance with this Section for any such Relevant Acquisition pursuant to the definition of Permitted Acquisition), stepping down to 3.25 to 1.00 for the next two succeeding Test Periods and further stepping down to 3.00 to 1.00 after completion of the first four Test Periods following the closing date of such Relevant Acquisition (such increase in the Secured Leverage Ratio level, the "Secured Leverage Holiday").

(b) *Minimum Interest Coverage Ratio*. Parent will not permit the Interest Coverage Ratio with respect to any Test Period (commencing with the Test Period ending September 30, 2015) to be less than 3.50:1.00.

ARTICLE VIII.

EVENTS OF DEFAULT

Section 8.01 Events of Default. An Event of Default shall exist upon the occurrence of any of the following specified events or conditions (each, an "Event of Default"):

(a). any Borrower shall fail to pay any principal of any Loan or any reimbursement obligation in respect of any L/C Disbursement when and as the same shall become due and payable, whether at the due date thereof or at a date fixed for prepayment thereof or otherwise;

(b). any Borrower shall fail to pay any interest on any Loan or any fee or any other amount (other than an amount referred to in clause (a) of this Section 8.01) payable under this Agreement or any other Loan Document, when and as the same shall become due and payable, and such failure shall continue unremedied for a period of three (3) Business Days;

(c). any representation or warranty made or deemed made by or on behalf of any Borrower or any other Loan Party in or in connection with this Agreement or any other Loan Document or any amendment or modification hereof or thereof or waiver hereunder or thereunder, or in any certificate, financial statement or other instrument furnished pursuant to or in connection with this Agreement or any other Loan Document or any amendment or modification thereof or waiver thereunder, shall prove to have been incorrect in any material respect when made or deemed made;

(d). any Loan Party shall fail to observe or perform any covenant, condition or agreement contained in Section 6.02(a), 6.03 (with respect to Parent's or any Borrower's existence), 6.08 or 6.09 or in Article VII;

(e). Parent, any Borrower or any Subsidiary Guarantor, as applicable, shall fail to observe or perform any covenant, condition or agreement contained in this Agreement (other than those specified in clause (a), (b) or (d) of this Article) or any other Loan Document, and such failure shall continue unremedied for a period of thirty (30) days after notice thereof from the Administrative Agent to the Lead Borrower (which notice will be given at the request of the Required Lender);

(f). Parent or any Restricted Subsidiary shall fail to make any payment (whether of principal or interest and regardless of amount) in respect of any Material Indebtedness, when and as the same shall become due and payable;

(g). any event or condition that results in any Material Indebtedness becoming due prior to its scheduled maturity or that enables or permits, after the expiration of any applicable grace period provided in the applicable agreement or instrument under which such Indebtedness was created, the holder or holders of such Material Indebtedness or any trustee or agent on its or their behalf to cause such Material Indebtedness to become due, or to require the prepayment, repurchase, redemption or defeasance thereof, prior to its scheduled maturity; provided that this clause (g) shall not apply to (i) secured Indebtedness that becomes due as a result of the voluntary sale or transfer of the property or assets securing such Indebtedness or, with respect to any Material Indebtedness consisting of Swap Agreements, termination events or equivalent events pursuant to the terms of such Swap Agreements and not as a result of any default thereunder by Parent or any of its Restricted Subsidiaries, (ii) any Indebtedness that becomes due as a result of a default under any agreement with a Lender or an Affiliate of a Lender to the extent such default results from a sale, pledge or other disposition or encumbrance of Unrestricted Margin Stock or any other breach or contravention of any provision of any Indebtedness which provision prohibits or otherwise restricts the ability of Parent or any Restricted Subsidiary to sell, pledge or otherwise dispose of or encumber Unrestricted Margin Stock ~~and~~, (iii) any conversion or exchange of any convertible or exchangeable debt securities and any conversion or exchange trigger that results in such debt securities becoming convertible or exchangeable, as applicable and (iv) any Specified Material Indebtedness;

(h). an involuntary proceeding shall be commenced or an involuntary petition shall be filed seeking (i) liquidation, examination, composition, assignment, arrangement, moratorium of any indebtedness, reorganization, winding up, dissolution or other relief in respect of Parent, any Borrower or any Material Restricted Subsidiary or its debts, or of a substantial part of its assets, under any Bankruptcy Law now or hereafter in effect or (ii) the appointment of a receiver, liquidator, examiner, trustee, custodian, sequestrator, conservator or similar official for Parent, any Borrower or any Material Restricted Subsidiary or for a substantial part of its assets, and, in any

such case, such proceeding or petition shall continue undismissed for sixty (60) days or an order or decree approving or ordering any of the foregoing shall be entered;

(i). Parent, any Borrower or any Material Restricted Subsidiary shall (i) voluntarily commence any proceeding or file any petition seeking liquidation, examination, reorganization compromise, composition, assignment, arrangement with any creditor or other relief under any Bankruptcy Law now or hereafter in effect, (ii) consent to the institution of, or fail to contest in a timely and appropriate manner, any proceeding or petition described in clause (h) of this Section 8.01, (iii) apply for or consent to the appointment of a receiver, examiner, liquidator, trustee, custodian, sequestrator, conservator or similar official for Parent, any Borrower or any Material Restricted Subsidiary or for a substantial part of its assets, (iv) file an answer admitting the material allegations of a petition filed against it in any such proceeding, (v) make a general assignment for the benefit of creditors or (vi) take any action for the purpose of effecting any of the foregoing;

(j). Parent, any Borrower or any Material Restricted Subsidiary shall become unable, is deemed under any applicable law to be unable or is declared to be unable, admit in writing its inability or fail generally to pay its debts as they become due;

(k). one or more judgments for the payment of money in an aggregate amount in excess of $50,000,000 shall be rendered against Parent, any Restricted Subsidiary or any combination thereof and the same shall remain undischarged for a period of sixty (60) consecutive days during which execution shall not be effectively stayed; provided that any such amount shall be calculated after deducting from the sum so payable any amount of such judgment or order that is covered by a valid and binding policy of insurance in favor of Parent or such Restricted Subsidiary (but only if the applicable insurer shall have been advised of such judgment and of the intent of Parent or such Restricted Subsidiary to make a claim in respect of any amount payable by it in connection therewith and such insurer shall not have disputed coverage);

(l). an ERISA Event or similar event with respect to a Foreign Pension Plan shall have occurred that, in the reasonable opinion of the Required Lenders, when taken together with all other ERISA Events or similar events with respect to Foreign Pension Plans that have occurred, could reasonably be expected to result in a Material Adverse Effect;

(m). a Change of Control shall occur;

(n). any material provision of any Loan Document for any reason ceases to be valid, binding and enforceable in accordance with its terms (except pursuant to the terms hereof or thereof, including as a result of a transaction permitted under Section 7.03) or Parent or any Restricted Subsidiary shall contest in writing the enforceability of any material provision of any Loan Document (except as result of the Discharge of Senior Credit Obligations and exclusive of questions of interpretation of any provision thereof) or shall deny in writing it has any or further liability or obligation under any Loan Document (except as a result of the Discharge of the Senior Credit Obligations); or

(o). any Collateral Document shall for any reason fail to create a valid and perfected first priority security interest in any material portion of the Collateral purported to be covered thereby (and to the extent required thereby), except (i) as permitted by the terms of any Loan Document, including as a result of a transaction permitted by Section 7.03, (ii) and the extent that any such loss of perfection or priority results solely from the failure of the Administrative Agent to maintain possession of certificates actually delivered to it representing securities pledged under the Collateral Documents.

Section 8.02 Acceleration; Remedies. Upon the occurrence of and during the continuation of an Event of Default, the Administrative Agent (or the Collateral Agent, as applicable) shall, at the request of, or may, with the consent of, the Required Lenders, take any or all of the following actions:

(a). *Termination of Commitments*. Declare the Commitments terminated whereupon the Commitments shall be immediately terminated.

(b). *Acceleration of Loans*. Declare the unpaid principal of and any accrued interest in respect of all Loans, any Reimbursement Obligations arising from drawings under Letters of Credit and any and all other indebtedness or obligations of any and every kind (other than contingent indemnification obligations) owing by a Loan Party to any of the Lenders hereunder to be due whereupon the same shall be immediately due and payable without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Loan Parties.

(c). *Cash Collateral*. Direct the applicable Borrower to pay (and such Borrower agrees that upon receipt of such notice, or upon the occurrence of an Event of Default under Section 8.01(h), (i) or (j), it will immediately pay) to the Collateral Agent additional cash, to be held by the Collateral Agent, for the benefit of the Lenders, in a cash collateral account as additional security for the L/C Obligations in respect of subsequent drawings under all then outstanding Letters of Credit in an amount equal to the maximum aggregate amount which may be drawn under all Letters of Credit then outstanding plus all accrued interest and fees thereon.

(d). *Enforcement of Rights*. Enforce any and all rights and interests created and existing under the Loan Documents, including, without limitation, all rights and remedies existing under the Loan Documents, all rights and remedies against a Guarantor and all rights of setoff.

(e). *Enforcement Rights Vested Solely in Administrative Agent and Collateral Agent*. The Lenders agree that this Agreement may be enforced only by the action of the Administrative Agent, acting upon the instructions of the Required Lenders, and, with respect to the Collateral, the Collateral Agent, and that no other Finance Party shall have any right individually to seek to enforce any Loan Document or to realize upon the security to be granted hereby.

Notwithstanding the foregoing, if an Event of Default specified in Section 8.01(h), (i) or (j) shall occur, then the Commitments shall automatically terminate, all Loans, all Reimbursement Obligations under Letters of Credit, all accrued interest in respect thereof and all accrued and unpaid fees and other indebtedness or obligations owing to the Lenders hereunder and under the other Loan Documents shall immediately become due and payable and the obligation of any Borrower to Cash Collateralize the L/C Obligations, as aforesaid shall automatically become effective, in each case without the giving of any notice or other action by the Administrative Agent or the Lenders, which notice or other action is expressly waived by the Loan Parties.

Section 8.03 Allocation of Payments After Event of Default.

(a) *Priority of Distributions*. Parent and each Borrower hereby irrevocably waive the right to direct the application of any and all payments in respect of their Finance Obligations and any proceeds of Collateral after the occurrence and during the continuance of an Event of Default and agree that, notwithstanding the provisions of Sections 2.09(c) and 2.14, after the exercise of remedies provided for in Section 8.02 (or after the Loans have automatically become immediately due and payable and the L/C Obligations have been required to be Cash Collateralized), all amounts collected or received on account of any Finance Obligation shall, subject to the provisions of Section 2.16 and Section 2.17, be applied by the Administrative Agent in the following order:

FIRST, to pay interest on and then principal of any portion of the Loans that the Administrative Agent may have advanced on behalf of any Lender for which the Administrative Agent has not then been reimbursed by such Lender or a Borrower;

SECOND, to the payment of all reasonable out-of-pocket costs and expenses (including reasonable attorneys' fees) of the Administrative Agent or the Collateral Agent in connection with enforcing the rights of the Finance Parties under the Finance Documents, including all expenses of sale or other realization of or in respect of the Collateral, including reasonable compensation to the agents and counsel for the Collateral Agent, and all expenses, liabilities and advances incurred or made by the Collateral Agent in connection therewith, and any other obligations owing to the Collateral Agent in respect of sums advanced by the Collateral Agent to preserve the Collateral or to preserve its security interest in the Collateral;

THIRD, to the payment of all reasonable out-of-pocket costs and expenses (including reasonable attorneys' fees) of (i) each of the Lenders (including any L/C Issuer in their capacities as such) in connection with enforcing its rights under the Loan Documents or otherwise with respect to the Senior Credit Obligations owing to such Lender, (ii) each Swap Creditor in connection with enforcing any of its rights under the Swap Agreements or otherwise with respect to the Swap Obligations owing to such Swap Creditor and (iii) each Cash Management Bank in connection with enforcing any of its rights under any Secured Cash Management Agreement;

FOURTH, to the payment of all of the Senior Credit Obligations consisting of accrued fees and interest;

FIFTH, except as set forth in clauses FIRST through FOURTH above, to the payment of the outstanding Finance Obligations owing to any Finance Party, pro rata, as set forth below, with (i) an amount equal to the Senior Credit Obligations being paid to the Collateral Agent (in the case of Senior Credit Obligations owing to the Collateral Agent) or to the Administrative Agent (in the case of all other Senior Credit Obligations) for the account of the Lenders or any Agent, with the Collateral Agent, each Lender and the Agents receiving an amount equal to its outstanding Senior Credit Obligations, or, if the proceeds are insufficient to pay in full all Senior Credit Obligations, its Pro rata Share of the amount remaining to be distributed, (ii) an amount equal to the Swap Obligations being paid to the trustee, paying agent or other similar representative (each, a "Representative") for the Swap Creditors, with each Swap Creditor receiving an amount equal to the outstanding Swap Obligations owed to it by the Loan Parties or, if the proceeds are insufficient to pay in full all such Swap Obligations, its Pro rata Share of the amount remaining to be distributed (iii) an amount equal to the Cash Management Obligations being paid to Cash Management Banks, with each Cash Management Bank receiving an amount equal to the outstanding Cash Management Obligations it entered into with a Loan Party or, if the proceeds are insufficient to pay in full all such obligations, its Pro rata Share of the amount remaining to be distributed; and

SIXTH, to the payment of the surplus, if any, to whoever may be lawfully entitled to receive such surplus.

In carrying out the foregoing, (i) amounts received shall be applied in the numerical order provided until exhausted prior to application to the next succeeding category; (ii) each of the Finance Parties shall receive an amount equal to its Pro rata Share of amounts available to be applied pursuant to clauses THIRD, FOURTH and FIFTH above; and (iii) to the extent that any amounts available for distribution pursuant to clause FIFTH above are attributable to the issued but undrawn amount of outstanding Letters of Credit to the extent not otherwise Cash Collateralized by a Borrower pursuant to

Sections 2.05 and 2.16, such amounts shall be held by the Collateral Agent in a cash collateral account and applied (x) first, to reimburse the L/C Issuer from time to time for any drawings under such Letters of Credit and (y) then, following the expiration of all Letters of Credit, to all other obligations of the types described in clause FIFTH above in the manner provided in this Section 8.03. Notwithstanding the foregoing, Swap Creditors shall not be entitled to receive any such payments from, or any proceeds of Collateral of, a Guarantor that is not an "eligible contract participant" (as defined in the definition of "Excluded Swap Obligation") to the extent it would be considered a payment on account of Excluded Swap Obligations, but appropriate adjustments shall be made with respect to payments from the other Guarantors that are "eligible contract participants" or on account of their assets to preserve the allocation to the Finance Obligations set forth above.

(b) *Pro rata Treatment*. For purposes of this Section 8.03, "Pro rata Share" means, when calculating a Finance Party's portion of any distribution or amount, that amount (expressed as a percentage) equal to a fraction the numerator of which is the then unpaid amount of such Finance Party's Senior Credit Obligations, Swap Obligations or Cash Management Obligations, as the case may be, and the denominator of which is the then outstanding amount of all Senior Credit Obligations, Swap Obligations or Cash Management Obligations, as the case may be. If any payment to any Finance Party of its Pro rata Share of any distribution would result in overpayment to such Finance Party, such excess amount shall instead be distributed in respect of the unpaid Senior Credit Obligations, Swap Obligations or Cash Management Obligations, as the case may be, of the other Finance Parties, with each Finance Party whose Senior Credit Obligations, Swap Obligations or Cash Management Obligations, as the case may be, have not been paid in full to receive an amount equal to such excess amount multiplied by a fraction the numerator of which is the unpaid Senior Credit Obligations, Swap Obligations or Cash Management Obligations, as the case may be, of such Finance Party and the denominator of which is the unpaid Senior Credit Obligations, Swap Obligations or Cash Management Obligations, as the case may be, of all Finance Parties entitled to such distribution.

(c) *Distributions with Respect to Letters of Credit*. Each of the Finance Parties agrees and acknowledges that if (after all outstanding Loans and Reimbursement Obligations with respect to Letters of Credit have been paid in full) the Lenders are to receive a distribution on account of undrawn amounts with respect to Letters of Credit issued (or deemed issued) under this Agreement, such amounts shall be deposited in a cash collateral account to be controlled by the Collateral Agent as cash security for the repayment of Finance Obligations owing to the Lenders as such. Upon termination of all outstanding Letters of Credit, all of such cash security shall be applied to the remaining Finance Obligations of the Lenders. If there remains any excess cash security, such excess cash shall be withdrawn by the Collateral Agent from such cash collateral account and distributed in accordance with Section 8.03(a) hereof.

(d) *Reliance by Collateral Agent*. For purposes of applying payments received in accordance with this Section 8.03, the Collateral Agent shall be entitled to rely upon (i) the Administrative Agent under this Agreement and (ii) the Representative, if any, for the Swap Creditors for a determination (which the Administrative Agent, each Representative for any Swap Creditor and the Finance Parties agree (or shall agree) to provide upon request of the Collateral Agent) of the outstanding Senior Credit Obligations and Swap Obligations owed to the Agents, the Lenders or the Swap Creditors, as the case may be. Unless it has actual knowledge (including by way of written notice from a Swap Creditor or any Representatives thereof) to the contrary, the Collateral Agent, in acting hereunder, shall be entitled to assume that no Swap Agreements are in existence.

ARTICAL IX

AGENCY PROVISIONS

Section 9.01 Appointment and Authority.

(a) Each of the Lenders and each L/C Issuer hereby irrevocably appoints Bank of America, to act on its behalf as the Administrative Agent hereunder and under the other Loan Documents and authorizes the Administrative Agent to take such actions on its behalf and to exercise such powers as are delegated to the Administrative Agent by the terms hereof or thereof, together with such actions and powers as are reasonably incidental thereto. Except for Section 9.11, the provisions of this Article are solely for the benefit of the Administrative Agent, the Collateral Agent, the Lead Arrangers, the Joint Bookrunners, the Amendment No. 1 Arrangers, the Amendment No. 2 Arrangers, the Lenders and the L/C Issuer, and no Borrower nor any other Loan Party shall have rights as a third party beneficiary of any of such provisions.

(b) The Administrative Agent shall also act as the "Collateral Agent" under the Loan Documents, and each of the Lenders (including in its capacities as a potential Swap Creditor and a potential Cash Management Bank) and the L/C Issuer hereby irrevocably appoints and authorizes the Administrative Agent to act as the agent of such Lender and the L/C Issuer for purposes of acquiring, holding and enforcing any and all Liens on Collateral granted by any of the Loan Parties to secure any of the Finance Obligations, together with such powers and discretion as are reasonably incidental thereto. In this connection, the Administrative Agent, as "Collateral Agent" and any co-agents, sub-agents and attorneys-in-fact appointed by the Administrative Agent pursuant to Section 9.05 for purposes of holding or enforcing any Lien on the Collateral (or any portion thereof) granted under the Collateral Documents, or for exercising any rights and remedies thereunder at the direction of the Administrative Agent), shall be entitled to the benefits of all provisions of this Article IX and Article X (including Section 10.04(c), as though such co-agents, sub-agents and attorneys-in-fact were the "collateral agent" under the Loan Documents) as if set forth in full herein with respect thereto.

(c) Each L/C Issuer shall act on behalf of the Revolving Lenders with respect to any Letters of Credit issued by it and the documents associated therewith, and each L/C Issuer shall have all of the benefits and immunities (a) provided to the Agents in this Article with respect to any acts taken or omissions suffered by such L/C Issuer in connection with Letters of Credit issued by it or proposed to be issued by it and L/C Documents pertaining to such Letters of Credit as fully as if the term "Agent" as used in this Article and the definition of "Agent Related Person" included such L/C Issuer with respect to such acts or omissions, and (b) as additionally provided herein with respect to each L/C Issuer.

Section 9.02 Rights as a Lender. Each Person serving as an Agent, the Lead Arrangers, the Amendment No. 1 Arrangers, the Amendment No. 2 Arrangers or the Joint Bookrunners, hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not an Agent, the Lead Arrangers, the Amendment No. 1 Arrangers, the Amendment No. 2 Arrangers or the Joint Bookrunners, as applicable, and the term "Lender" or "Lenders" shall, unless otherwise expressly indicated or unless the context otherwise requires, include the Person serving as an Agent, the Lead Arrangers, the Amendment No. 1 Arrangers, the Amendment No. 2 Arrangers or the Joint Bookrunners, as applicable, hereunder in its individual capacity. Such Person and its Affiliates may accept deposits from, lend money to, own securities of, act as the financial advisor or in any other advisory capacity for and generally engage in any kind of business with Parent or any Subsidiary or other Affiliate thereof as if such Person were not an Agent, the Lead Arrangers, the Amendment No. 1 Arrangers Amendment No. 2 Arrangers or the Joint Bookrunners, as applicable, hereunder and without

any duty to account therefor to the Lenders. Any Lender may make any Credit Extension to any Borrower by causing any domestic or foreign branch or Affiliate of such Lender that is an Eligible Assignee to make such Credit Extension.

Each of the Administrative Agent, the L/C Issuer and each Lender at its option may make any Credit Extension or otherwise perform its obligations hereunder through any Lending Office (each, a "Designated Lender"); provided that any exercise of such option shall not affect the obligation of the applicable Borrower to repay any Credit Extension in accordance with the terms of this Agreement. Any Designated Lender shall be considered a Lender; provided that in the case of an Affiliate or branch of a Lender, all provisions applicable to a Lender shall apply to such Affiliate or branch of such Lender to the same extent as such Lender.

Section 9.03 Exculpatory Provisions. Each Agent, Co-Syndication Agent, Co-Documentation Agent, Amendment No. 1 Co-Syndication Agent, Amendment No. 1 Co-Documentation Agent, Amendment No. 2 Co-Syndication Agent and Amendment No .~~1~~2 Co-Documentation Agent (collectively, the "Additional Agents"), the Lead Arrangers, the Amendment No. 1 Arrangers, the Amendment No. 2 Arrangers and the Joint Bookrunners, each in its capacity as such, shall not have any obligations, duties or responsibilities under this Agreement but shall be entitled to all benefits of this Article IX. The Administrative Agent shall not have any duties or obligations except those expressly set forth herein and in the other Loan Documents, and the duties herein shall be administrative in nature. Without limiting the generality of the foregoing, none of the Agents, the Additional Agents, the Lead Arrangers, the Amendment No. 1 Arrangers, the Amendment No. 2 Arrangers and the Joint Bookrunners:

(i) shall be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing;

(ii) shall have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby or by the other Loan Documents that such Agent is required to exercise as directed in writing by the Required Lenders (or such other number of percentage of the Lenders as shall be expressly provided for herein or in the other Loan Documents), provided that such Agent shall not be required to take any action that, in its judgment or the judgment of its counsel, may expose such Agent to liability or that is contrary to any Loan Document or applicable Law, including for the avoidance of doubt any action that may be in violation of the automatic stay under any Bankruptcy Law or that may affect a forfeiture, modification or termination of property of a Defaulting Lender in violation of any Bankruptcy Law; and

(iii) shall, except as expressly set forth herein and in the other Loan Documents, have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to any Borrower or any of its Affiliates that is communicated to or obtained by the Person serving as such Agent or any of its Affiliates in any capacity.

No Agent shall be liable for any action taken or not taken by it (i) with the consent or at the request of the Required Lenders (or such other number or percentage of the Lenders as shall be necessary, or as such Agent shall believe in good faith shall be necessary, under the circumstances as provided in Article VIII and Section 10.01) or (ii) in the absence of its own gross negligence or willful misconduct as determined by a court of competent jurisdiction by final and nonappealable judgment. No Agent shall be deemed to have knowledge or notice of the occurrence of any Default unless and until notice describing such Default is given to such Agent by a Borrower, a Lender or an L/C Issuer and stating that such notice is a "notice of default."

No Agent shall be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with this Agreement or any other Loan Document, (ii) the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or therein or the occurrence of any Default, (iv) the validity, enforceability, effectiveness or genuineness of this Agreement, any other Loan Document or any other agreement, instrument or document, or the creation, perfection or priority of any Lien purported to be created by the Collateral Documents, (v) the value or the sufficiency of the Collateral or (vi) the satisfaction of any condition set forth in Article IV or elsewhere herein, other than to confirm receipt of items expressly required to be delivered to such Agent. Without limiting the generality of the foregoing, the use of the term "agent" in this Agreement with reference to the Administrative Agent or the Collateral Agent is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any applicable law. Instead, such term us used merely as a matter of market custom and is intended to create or reflect only an administrative relationship between independent contracting parties.

No Agent shall be responsible or have any liability for, or have any duty to ascertain, inquire into, monitor or enforce, compliance with the provisions hereof relating to Disqualified Institutions. Without limiting the generality of the foregoing, the Administrative Agent shall not (x) be obligated to ascertain, monitor or inquire as to whether any Lender or Participant or prospective Lender or Participant is a Disqualified Institution or (y) have any liability with respect to or arising out of any assignment or participation of Loans, or disclosure of confidential information, to any Disqualified Institution.

Section 9.04 Reliance by Agents. Each Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing (including any electronic message, Internet or intranet website posting or other distribution) believed by it to be genuine and to have been signed, sent or otherwise authenticated by the proper Person. Each Agent also may rely upon any statement made to it orally or by telephone and believed by it to have been made by the proper Person, and shall not incur any liability for relying thereon. In determining compliance with any condition hereunder to the making of a Loan, or the issuance, extension, renewal or increase of a Letter of Credit, that by its terms must be fulfilled to the satisfaction of a Lender or an L/C Issuer, the Administrative Agent may presume that such condition is satisfactory to such Lender or L/C Issuer unless the Administrative Agent shall have received notice to the contrary from such Lender or the L/C Issuer prior to the making of such Loan or the issuance of such Letter of Credit. Each Agent may consult with legal counsel (who may be counsel for a Borrower), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

Section 9.05 Delegation of Duties. Each Agent may perform any and all of its duties and exercise its rights and powers hereunder or under any other Loan Document by or through any one or more sub-agents appointed by the Administrative Agent. The Administrative Agent and any such sub-agent may perform any and all of its duties and exercise its rights and powers by or through their respective Related Parties. The exculpatory provisions of this Article shall apply to any such sub-agent and to the Related Parties of the Administrative Agent and any such sub-agent, and shall apply to their respective activities in connection with the syndication of the credit facilities provided for herein as well as activities as Administrative Agent. The Administrative Agent shall not be responsible for the negligence or misconduct of any sub-agents except to the extent that a court of competent jurisdiction determines in a final and nonappealable judgment that the Administrative Agent acted with gross negligence or willful misconduct in the selection of such sub-agents.

Section 9.06 Indemnification of Agents. Whether or not the transactions contemplated hereby are consummated, each Lender shall indemnify upon demand each Agent Related Person (to the extent not reimbursed by or on behalf of any Borrower and without limiting the obligations of any Loan Party to do so) on a pro rata basis (determined as of the time that the applicable payment is sought based on each Lender's ratable share at such time) and hold harmless each Agent Related Person against any and all Indemnified Liabilities incurred by it; provided that (a) no Lender shall be liable for payment to any Agent Related Person of any portion of such Indemnified Liabilities to the extent determined in a final, nonappealable judgment of a court of competent jurisdiction to have resulted from such Agent Related Person's own gross negligence or willful misconduct (and no action taken in accordance with the directions of the Required Lender shall be deemed to constitute gross negligence or willful misconduct for purposes of this Section) and (b) to the extent any L/C Issuer or Swing Line Lender is entitled to indemnification under this Section solely in its capacity and role as an L/C Issuer or as a Swing Line Lender, as applicable, only the Revolving Lenders shall be required to indemnify such L/C Issuer or such Swing Line Lender, as the case may be, in accordance with this Section (determined as of the time that the applicable payment is sought based on each Revolving Lender's Revolving Commitment Percentage thereof at such time). In the case of any investigation, litigation or proceeding giving rise to any Indemnified Liabilities, this Section applies whether any such investigation, litigation or proceeding is brought by any Lender or any other Person. Without limitation of the foregoing, each Lender shall reimburse the Administrative Agent upon demand for its ratable share of any costs or out-of-pocket expenses (including the fees, disbursements and other charges of counsel) incurred by the Administrative Agent in connection with preparation, execution, delivery, administration, modification, amendment or enforcement (whether through negotiations, legal proceedings or otherwise) of, or legal advice in respect of rights and responsibilities under, this Agreement, any other Loan Document, or any document contemplated by or referred to herein, to the extent that the Administrative Agent is not reimbursed for such costs or expenses by or on behalf of the Borrower.

Section 9.07 Resignation of Agents.

(a) Each Agent may at any time give notice of its resignation to the Lenders, the L/C Issuers and the Lead Borrower. Upon receipt of any such notice of resignation, the Required Lenders shall have the right, in consultation with the Lead Borrower, to appoint a successor, which shall be a bank with an office in the United States, or an Affiliate of any such bank with an office in the United States. If no such successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within 30 days after the retiring Agent gives notice of its resignation, (or such earlier day as shall be agreed by the Required Lenders) (the "Resignation Effective Date"), then the retiring Agent may (but shall not be obligated to) on behalf of the Lenders and the L/C Issuer, appoint a successor Agent meeting the qualifications set forth above, provided that in no event shall an such successor Agent be a Defaulting Lender. Whether or not a successor has been appointed, such resignation shall become effective in accordance with such notice on the Resignation Effective Date.

(b) With effect from the Resignation Effective Date (1) the retiring Agent shall be discharged from its duties and obligations hereunder and under the other Loan Documents (except that in the case of any collateral security held by the Collateral Agent on behalf of the Lenders or the L/C Issuer under any of the Loan Documents, the retiring Collateral Agent shall continue to hold as nominee such collateral security until such time as a successor Collateral Agent is appointed) and (2) except for any indemnity payments or other amounts then owed to the retiring Agent, all payments, communications and determinations provided to be made by, to or through the Agent shall instead be made by or to each Lender and the L/C Issuer directly, until such time, if any, as the Required Lenders appoint a successor Agent as provided for above in this Section 9.07. Upon the acceptance of a successor's appointment as Agent hereunder, such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring Agent (other than any rights to indemnity payments or other amounts owed to the

retiring Agent as of the Resignation Effective Date), and the retiring Agent shall be discharged from all of its duties and obligations hereunder or under the other Loan Documents (if not already discharged therefrom as provided above in this Section 9.07). The fees payable by the Lead Borrower to a successor Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Lead Borrower and such successor. After the retiring Agent's resignation hereunder and under the other Loan Documents, the provisions of this Article and Section 10.04 shall continue in effect for the benefit of such retiring Agent, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them (i) while the retiring Agent was acting as Agent and (ii) after such resignation for as long as any of them continues to act in any capacity hereunder or under the other Loan Documents, including (a) acting as collateral agent or otherwise holding any collateral security on behalf of any of the Lenders and (b) in respect of any actions taken in connection with transferring the agency to any successor Administrative Agent.

(c) Any resignation by Bank of America as Administrative Agent pursuant to this Section 9.07 shall also constitute its resignation as the L/C Issuer and Swing Line Lender. If Bank of America resigns as an L/C Issuer, it shall retain all the rights, powers, privileges and duties of the L/C Issuer hereunder with respect to all Letters of Credit outstanding as of the effective date of its resignation as L/C Issuer and all L/C Obligations with respect thereto, including the right to require the Lenders to make Base Rate Loans or fund risk participations in Unreimbursed Amounts pursuant to Section 2.05(e). If Bank of America resigns as Swing Line Lender, it shall retain all the rights of the Swing Line Lender provided for hereunder with respect to Swing Line Loans made by it and outstanding as of the effective date of such resignation, including the right to require the Lenders to make Base Rate Loans or fund risk participations in outstanding Swing Line Loans pursuant to Section 2.01(c). Upon the appointment by the Borrower of a successor L/C Issuer or Swing Line Lender hereunder (which successor shall in all cases be a Lender other than a Defaulting Lender), (a) such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring L/C Issuer or Swing Line Lender, as applicable, (b) the retiring L/C Issuer and Swing Line Lender shall be discharged from all of their respective duties and obligations hereunder or under the other Loan Documents, and (c) the successor L/C Issuer shall issue letters of credit in substitution for the Letters of Credit, if any, outstanding at the time of such succession or make other arrangements satisfactory to Bank of America to effectively assume the obligations of Bank of America with respect to such Letters of Credit.

Section 9.08 Non-Reliance on Agents and Other Lenders. Each Lender and L/C Issuer acknowledges that it has, independently and without reliance upon any Agent Related Person or any other Lender or any of their Related Parties and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender further represents and warrants that it has reviewed the Pre-Commitment Information and each other document made available to it on the Platform in connection with this Agreement and has acknowledged and accepted the terms and conditions applicable to the recipients thereof and L/C Issuer also acknowledges that it will, independently and without reliance upon any Agent or any other Lender or any of their Related Parties and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any other Loan Document or any related agreement or any document furnished hereunder or thereunder.

Section 9.09 No Other Duties, etc. Anything herein to the contrary notwithstanding, none of the Agents, the Lead Arrangers, the Joint Bookrunners, the Amendment No. 1 Arrangers, the Amendment No. 2 Arrangers, the Co-Syndication Agents, the Co-Documentation Agents, the Amendment No. 1 Co-Syndication Agents, the Amendment No. 1 Co-Documentation Agents, the Amendment No. 2 Co-Syndication Agents or the Amendment No. ~~1~~2 Co-Documentation Agents shall have any powers, duties

or responsibilities under this Agreement or any of the other Loan Documents, except in its capacity, as applicable, as the Administrative Agent, the Collateral Agent, a Lender or L/C Issuer hereunder.

Section 9.10 Administrative Agent May File Proofs of Claim; Credit Bidding. In case of the pendency of any receivership, insolvency, examinership, liquidation, bankruptcy, reorganization, arrangement, adjustment, composition or other judicial proceeding relative to any Loan Party, the Administrative Agent (irrespective of whether the principal of any Loan or L/C Obligation shall then be due and payable as herein expressed or by declaration or otherwise and irrespective of whether the Administrative Agent shall have made any demand on any Borrower) shall be entitled and empowered, by intervention in such proceeding or otherwise:

(i) to file and prove a claim for the whole amount of the principal and interest owing and unpaid in respect of the Loans, L/C Obligations and all other Senior Credit Obligations that are owing and unpaid and to file such other documents as may be necessary or advisable in order to have the claims of the Lenders, the L/C Issuers and the Administrative Agent (including any claim for the reasonable compensation, expenses, disbursements and advances of the Lenders, the L/C Issuers and the Administrative Agent and their respective agents and counsel and all other amounts due the Lenders, the L/C Issuers and the Administrative Agent under Section 2.09 and 10.04) allowed in such judicial proceeding;

(ii) to collect and receive any monies or other property payable or deliverable on any such claims and to distribute the same; and

(iii) and any custodian, receiver, examiner, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Lender and L/C Issuer to make such payments to the Administrative Agent and, in the event that the Administrative Agent shall consent to the making of such payments directly to the Lenders and the L/C Issuers, to pay to the Administrative Agent any amount due for the reasonable compensation, expenses, disbursements and advances of the Administrative Agent and its agents and counsel, and any other amounts due the Administrative Agent under Section 2.09 and 10.04.

Nothing contained herein shall be deemed to authorize the Administrative Agent to authorize or consent to or accept or adopt on behalf of any Lender or L/C Issuer any plan of reorganization, arrangement, adjustment or composition affecting the Senior Credit Obligations or the rights of any Lender or L/C Issuer to authorize the Administrative Agent to vote in respect of the claim of any Lender or L/C Issuer or in any such proceeding.

The Finance Parties hereby irrevocably authorize the Administrative Agent, at the direction of the Required Lenders, to credit bid all or any portion of the Obligations (including accepting some or all of the Collateral in satisfaction of some or all of the Finance Obligations pursuant to a deed in lieu of foreclosure or otherwise) and in such manner purchase (either directly or through one or more acquisition vehicles) all or any portion of the Collateral (a) at any sale thereof conducted under the provisions of the Bankruptcy Code of the United States, including under Sections 363, 1123 or 1129 of the Bankruptcy Code of the United States, or any similar Laws in any other jurisdictions to which a Loan Party is subject, or (b) at any other sale or foreclosure or acceptance of collateral in lieu of debt conducted by (or with the consent or at the direction of) the Administrative Agent (whether by judicial action or otherwise) in accordance with any applicable Law. In connection with any such credit bid and purchase, the Finance Obligations owed to the Finance Parties shall be entitled to be, and shall be, credit bid on a ratable basis (with Finance Obligations with respect to contingent or unliquidated claims receiving contingent interests in the acquired assets on a ratable basis that would vest upon the liquidation of such claims in an amount

proportional to the liquidated portion of the contingent claim amount used in allocating the contingent interests) in the asset or assets so purchased (or in the Equity Interests or debt instruments of the acquisition vehicle or vehicles that are used to consummate such purchase). In connection with any such bid (i) the Administrative Agent shall be authorized to form one or more acquisition vehicles to make a bid, (ii) to adopt documents providing for the governance of the acquisition vehicle or vehicles (provided that any actions by the Administrative Agent with respect to such acquisition vehicle or vehicles, including any disposition of the assets or Equity Interests thereof shall be governed, directly or indirectly, by the vote of the Required Lenders, irrespective of the termination of this Agreement and without giving effect to the limitations on actions by the Required Lenders contained in clauses (a) through (b) of Section 10.01 of this Agreement, (iii) the Administrative Agent shall be authorized to assign the relevant Finance Obligations to any such acquisition vehicle pro rata by the Lenders, as a result of which each of the Lenders shall be deemed to have received a pro rata portion of any Equity Interests and/or debt instruments issued by such an acquisition vehicle on account of the assignment of the Obligations to be credit bid, all without the need for any Finance Party or acquisition vehicle to take any further action, and (iv) to the extent that Finance Obligations that are assigned to an acquisition vehicle are not used to acquire Collateral for any reason (as a result of another bid being higher or better, because the amount of Finance Obligations assigned to the acquisition vehicle exceeds the amount of debt credit bid by the acquisition vehicle or otherwise), such Finance Obligations shall automatically be reassigned to the Lenders pro rata and the Equity Interests and/or debt instruments issued by any acquisition vehicle on account of the Finance Obligations that had been assigned to the acquisition vehicle shall automatically be cancelled, without the need for any Finance Party or any acquisition vehicle to take any further action.

Section 9.11 Collateral and Guaranty Matters. Without limiting the provision of Section 9.10, each of the Lenders (including in its capacities as a potential Cash Management Bank and a potential Swap Creditor) and the L/C Issuer irrevocably authorize the Administrative Agent and Collateral Agent, at its option and in its discretion,

(i) to release any Lien on any property granted to or held by the Administrative Agent and Collateral Agent under any Finance Document (A) upon Discharge of ~~Senior Credit~~Finance Obligations (other than (x) contingent indemnification obligations and (y) obligations and liabilities under Cash Management Agreements and Swap Agreements as to which arrangements satisfactory to the applicable Cash Management Bank or Swap Creditor shall have been made) and the expiration or termination of all Letters of Credit (other than Letters of Credit as to which other arrangements satisfactory to the Administrative Agent and the L/C Issuer shall have been made), (B) that is sold, transferred, disposed or to be sold, transferred or disposed as part of or in connection with any Disposition (other than any sale to a Loan Party)permitted hereunder or under any other Loan Document or otherwise becomes an Excluded Asset, or (C) subject to Section 10.01, if approved, authorized or ratified in writing by the Required Lenders or (D) to the extent such property is owned by a Guarantor upon the release of such Guarantor from its obligations under its Guarantee pursuant to clause (iii) below;

(ii) to subordinate any Lien on any property granted to or held by the Administrative Agent or the Collateral Agent under any Loan Document to the holder of any Lien on such property that is permitted by clause (c) or (d) of the definition of Permitted Encumbrances or clause (d), (e), (m), (n) or (o) of Section 7.02;

(iii) to release any Guarantor from its obligations under the Guaranty Agreement if such Person ceases to be a Restricted Subsidiary or becomes an Excluded Subsidiary as a result of a transaction permitted under the Loan Documents (or designation as an Unrestricted Subsidiary in accordance with Section 6.10); and

(iv) to enter into non-disturbance and similar agreements in connection with the licensing of intellectual property permitted pursuant to the terms of this Agreement.

Upon request by the Administrative Agent at any time, the Required Lenders will confirm in writing the Administrative Agent's authority to release or subordinate its interest in particular types or items of property, or to release any Guarantor from its obligations under the Guaranty Agreement pursuant to this Section 9.11. In each case as specified in this Section 9.11, the applicable Agent will (and each Lender irrevocably authorizes the applicable Agent to), at the Lead Borrower's expense, execute and deliver to the applicable Loan Party such documents as such Loan Party may reasonably request (i) to evidence the release or subordination of such item of Collateral from the assignment and security interest granted under the Collateral Documents, (ii) to enter into non-disturbance or similar agreements in connection with the licensing of intellectual property or (iii) to evidence the release of such Guarantor from its obligations under the Guaranty Agreement, in each case in accordance with the terms of the Loan Documents and this Section 9.11 and in form and substance reasonably acceptable to such Agent.

The Administrative Agent shall not be responsible for or have a duty to ascertain or inquire into any representation or warranty regarding the existence, value or collectability of the Collateral, the existence, priority or perfection of the Administrative Agent's Lien thereon, or any certificate prepared by any Loan Party in connection therewith, nor shall the Administrative Agent be responsible or liable to the Lenders for any failure to monitor or maintain any portion of the Collateral.

Section 9.12 Related Obligations. The benefit of the Loan Documents and of the provisions of this Agreement relating to the Collateral shall extend to and be available in respect of any Swap Obligations and Cash Management Obligations permitted hereunder from time to time owing to one or more Affiliates of one or more Lenders or owing to one or more Swap Creditors or Cash Management Banks (collectively, "Related Obligations") solely on the condition and understanding, as among the Collateral Agent and all Finance Parties, that (i) the Related Obligations shall be entitled to the benefit of the Loan Documents and the Collateral to the extent expressly set forth in this Agreement and the other Loan Documents and to such extent the Administrative Agent and the Collateral Agent shall hold, and have the right and power to act with respect to, the Guaranty Agreement and the Collateral on behalf of and as agent for the holders of the Related Obligations, but the Administrative Agent and the Collateral Agent are otherwise acting solely as agent for the Lenders and the L/C Issuer and shall have no fiduciary duty, duty of loyalty, duty of care, duty of disclosure or other obligation whatsoever to any holder of Related Obligations, (ii) all matters, acts and omissions relating in any manner to the Guaranty Agreement, the Collateral, or the omission, creation, perfection, priority, abandonment or release of any Lien, shall be governed solely by the provisions of this Agreement and the other Loan Documents and no separate Lien, right, power or remedy shall arise or exist in favor of any Finance Party under any separate instrument or agreement or in respect of any Related Obligation, (iii) each Finance Party shall be bound by all actions taken or omitted, in accordance with the provisions of this Agreement and the other Loan Documents, by the Administrative Agent, the Collateral Agent and the Required Lenders, as applicable, each of whom shall be entitled to act at its sole discretion and exclusively in its own interest given its own Commitments and its own interest in the Loans, L/C Obligations and other Senior Credit Obligations to it arising under this Agreement or the other Loan Documents, without any duty or liability to any Swap Creditor or Cash Management Bank or as to any Related Obligation and without regard to whether any Related Obligation remains outstanding or is deprived of the benefit of the Collateral or becomes unsecured or is otherwise affected or put in jeopardy thereby and (iv) no holder of Related Obligations and no other Finance Party (except the Lenders to the extent set forth in this Agreement) shall have any right to be notified of, or to direct, require or be heard with respect to, or to consent to, any action taken or omitted in respect of the Collateral or under this Agreement or the Loan Documents (including the release or impairment of any Collateral) other than in its capacity as a Lender and, in such case, only to the extent expressly provided in the Loan Documents. Notwithstanding

any other provision of this Article IX to the contrary, the Administrative Agent and Collateral Agent shall not be required to verify the payment of, or that other satisfactory arrangements have been made with respect to, Obligations arising under Cash Management Agreements and Swap Agreements unless the Administrative Agent and/or Collateral Agent has received written notice of such Finance Obligations, together with such supporting documentation as the Administrative Agent may request, from the applicable Cash Management Bank or Swap Creditor, as the case may be.

Section 9.13 Withholding Tax. To the extent required by any applicable law, the Administrative Agent may deduct or withhold from any payment to any Lender Party an amount equivalent to any applicable withholding Tax. Without limiting or expanding the provisions of Section 3.01, each Lender Party shall indemnify and hold harmless the Administrative Agent against, within 10 days after written demand therefor, any and all Taxes and any and all related losses, claims, liabilities and expenses (including fees, charges, and disbursements of any counsel for the Administrative Agent) incurred by or asserted against the Administrative Agent by the Internal Revenue Service or any other Governmental Authority as a result of the failure of the Administrative Agent to properly withhold Tax from amounts paid to or for the account of any Lender Party for any reason (including, without limitation, because the appropriate form was not delivered or not properly executed, or because such Lender Party failed to notify the Administrative Agent of a change in circumstances that rendered the exemption from, or reduction of, withholding Tax ineffective, whether or not such Tax was correctly or legally imposed or asserted by the relevant Governmental Authority). A certificate as to the amount of such payment or liability delivered to any Lender Party by the Administrative Agent shall be conclusive absent manifest error. Each Lender Party hereby authorizes the Administrative Agent to set off and apply any and all amounts at any time owing to such Lender Party under this Agreement or any other Loan Document against any amount due to the Administrative Agent under this Section 9.13. The agreements in this Section 9.13 shall survive the resignation and/or replacement of the Administrative Agent, any assignment of rights by, or the replacement of, a Lender Party, the termination of the Agreement or Commitments and the repayment, satisfaction or discharge of all other obligations.

Section 9.14 Role of the Administrative Agent and Collateral Agent in connection with the Italian Collateral Documents. Each of the Finance Parties hereby:

(a) appoints, with the express consent pursuant to article 1395 of the Italian Civil Code, the Administrative Agent also acting in its capacity as Collateral Agent under the Loan Documents to be its *mandatario con rappresentanza* and common representative for the purpose of executing in the name and on behalf of the Finance Parties any Italian Collateral Document;

(b) grants the Administrative Agent also acting in its capacity as Collateral Agent, the power to negotiate and approve the terms and conditions of the Italian Collateral Documents, execute any other agreement or instrument, give or receive any notice or declaration, identify and specify to third parties the names of the Finance Parties at any given date, and take any other action in relation to the creation, perfection, confirmation, extension, maintenance, enforcement and/or release of any security created thereunder in the name and on behalf of the Finance Parties

(c) confirms that in the event that any security created under the Italian Collateral Documents remains registered in the name of a Finance Party after it has ceased to be a Finance Party then the Administrative Agent also acting in its capacity as Collateral Agent shall remain empowered to execute a release of such security in its name and on its behalf; and

(d) undertakes to ratify and approve any such action taken in the name and on behalf of the Finance Parties by the Administrative Agent acting in its appointed capacity.

Section 9.15 Certain ERISA Matters.

(a) Each Lender (x) represents and warrants, as of the date such Person became a Lender party hereto, to, and (y) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of, the Administrative Agent, the Lead Arrangers, the Amendment No. 1 Arrangers, the Amendment No. 2 Arrangers and their respective Affiliates, and not, for the avoidance of doubt, to or for the benefit of the Borrower or any other Loan Party, that at least one of the following is and will be true:

(i) such Lender is not using "plan assets" (within the meaning of 29 CFR § 2510.3-101, as modified by Section 3(42) of ERISA) of one or more Benefit Plans in connection with the Loans, the Letters of Credit or the Commitments,

(ii) the transaction exemption set forth in one or more PTEs, such as PTE 84-14 (a class exemption for certain transactions determined by independent qualified professional asset managers), PTE 95-60 (a class exemption for certain transactions involving insurance company general accounts), PTE 90-1 (a class exemption for certain transactions involving insurance company pooled separate accounts), PTE 91-38 (a class exemption for certain transactions involving bank collective investment funds) or PTE 96-23 (a class exemption for certain transactions determined by in-house asset managers), is applicable with respect to such Lender's entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement,

(iii) (A) such Lender is an investment fund managed by a "Qualified Professional Asset Manager" (within the meaning of Part VI of PTE 84-14), (B) such Qualified Professional Asset Manager made the investment decision on behalf of such Lender to enter into, participate in, administer and perform the Loans, the Letters of Credit, the Commitments and this Agreement, (C) the entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement satisfies the requirements of sub-sections (b) through (g) of Part I of PTE 84-14 and (D) to the best knowledge of such Lender, the requirements of subsection (a) of Part I of PTE 84-14 are satisfied with respect to such Lender's entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement, or

(iv) such other representation, warranty and covenant as may be agreed in writing between the Administrative Agent, in its sole discretion, and such Lender.

(b) In addition, unless sub-clause (i) in the immediately preceding clause (a) is true with respect to a Lender or such Lender has not provided another representation, warranty and covenant as provided in sub-clause (iv) in the immediately preceding clause (a), such Lender further (x) represents and warrants, as of the date such Person became a Lender party hereto, to, and (y) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of, the Administrative Agent, the Lead Arrangers, the Amendment No. 1 Arrangers, the Amendment No. 2 Arrangers and their respective Affiliates, and not, for the avoidance of doubt, to or for the benefit of the Borrower or any other Loan Party, that:

(i) none of the Administrative Agent, the Lead Arrangers, the Amendment No. 1 Arrangers, the Amendment No. 2 Arrangers or any of their respective Affiliates is a fiduciary with respect to the assets of such Lender (including in connection with the reservation or exercise of any rights by the Administrative Agent under this Agreement, any Loan Document or any documents related hereto or thereto),

(ii) the Person making the investment decision on behalf of such Lender with respect to the entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement is independent (within the meaning of 29 CFR § 2510.3-21) and is a bank, an insurance carrier, an investment adviser, a broker-dealer or other person that holds, or has under management or control, total assets of at least $50 million, in each case as described in 29 CFR § 2510.3-21(c)(1)(i)(A)-(E),

(iii) the Person making the investment decision on behalf of such Lender with respect to the entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement is capable of evaluating investment risks independently, both in general and with regard to particular transactions and investment strategies (including in respect of the Obligations),

(iv) the Person making the investment decision on behalf of such Lender with respect to the entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement is a fiduciary under ERISA or the Code, or both, with respect to the Loans, the Letters of Credit, the Commitments and this Agreement and is responsible for exercising independent judgment in evaluating the transactions hereunder, and

(v) no fee or other compensation is being paid directly to the Administrative Agent, the Lead Arrangers, the Amendment No. 1 Arrangers, the Amendment No. 2 Arrangers or any of their respective Affiliates for investment advice (as opposed to other services) in connection with the Loans, the Letters of Credit, the Commitments or this Agreement.

The representations set forth in Section 9.15(b)(ii) above are intended to comply with the Department of Labor's regulation Sections 29 C.F.R. 2510.3-21(a) and (c)(1) as promulgated on April 8, 2016 (81 Fed. Reg. 20,997), and if such regulations are no longer in effect, these representations shall be deemed to be no longer in effect.

(c) The Administrative Agent, the Lead Arrangers, the Amendment No. 1 Arrangers and the Amendment No. 2 Arrangers hereby inform the Lenders that each such Person is not undertaking to provide impartial investment advice, or to give advice in a fiduciary capacity, in connection with the transactions contemplated hereby, and that such Person has a financial interest in the transactions contemplated hereby in that such Person or an Affiliate thereof (i) may receive interest or other payments with respect to the Loans, the Letters of Credit, the Commitments and this Agreement, (ii) may recognize a gain if it extended the Loans, the Letters of Credit or the Commitments for an amount less than the amount being paid for an interest in the Loans, the Letters of Credit or the Commitments by such Lender or (iii) may receive fees or other payments in connection with the transactions contemplated hereby, the Loan Documents or otherwise, including structuring fees, commitment fees, arrangement fees, facility fees, upfront fees, underwriting fees, ticking fees, agency fees, administrative agent or collateral agent fees, utilization fees, minimum usage fees, letter of credit fees, fronting fees, deal-away or alternate transaction fees, amendment fees, processing fees, term out premiums, banker's acceptance fees, breakage or other early termination fees or fees similar to the foregoing.

ARTICLE X.

MISCELLANEOUS

Section 10.01 Amendments, etc.

(a) *Amendments Generally*. Except as otherwise set forth in this Agreement, no amendment or waiver of any provision of this Agreement or any other Loan Document, and no consent to any departure by any Loan Party therefrom, shall in any event be effective unless the same shall be in writing signed by the Required Lenders (or by the Administrative Agent with the consent of the Required Lenders or such other number or percentage of the Lenders as may be specified herein) and the applicable Borrower and acknowledged by the Administrative Agent and the Administrative Agent shall have received notice and a fully executed written copy thereof, and each such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given; provided that the Administrative Agent, Parent and the Lead Borrower may, without the consent of the other Lenders, amend, modify or supplement this Agreement and any other Loan Document to cure any ambiguity, omission, typographical error, defect or inconsistency if such amendment, modification or supplement if the same is not objected to in writing by the Required Lenders within five Business Days following receipt of notice thereof.

(b) *Amendments and Waivers Pertinent to Affected Lenders*. Notwithstanding subsection (a) above and in addition to any other consent that may be required thereunder, no amendment, waiver or consent shall:

(i) extend or increase the Commitment of any Lender without the written consent of such Lender (it being understood that a waiver of any condition precedent set forth in Section 4.02 or the waiver of any Default, mandatory prepayment or mandatory reduction of any Commitments shall not constitute an extension or increase of any Commitment of any Lender);

(ii) postpone any date fixed by this Agreement or any other Loan Document for any payment (excluding mandatory prepayments) of principal, interest (other than Default interest), fees or other amounts due to the Lenders (or any of them) hereunder or under any other Loan Document without the written consent of each Lender directly affected thereby;

(iii) reduce or forgive the principal of, or the rate of interest or any premium specified herein on, any Loan or unreimbursed L/C Disbursement, or any fees or other amounts payable hereunder or under any other Loan Document without the written consent of each Lender directly affected thereby; provided, however, that only the consent of the Required Lenders shall be necessary (A) to amend the definition of "Default Rate" or to waive any obligation of a Borrower to pay interest or Letter of Credit Fees at the Default Rate or (B) to amend any financial covenant hereunder (or any defined term used therein) even if the effect of such amendment would be to reduce the rate of interest on any Loan or any unreimbursed L/C Disbursement or to reduce any fee payable hereunder;

(iv) other than to the extent required to make the Lenders under Incremental Term Loans, Incremental Revolving Loans (and Incremental Revolving Commitments), Other Term Loans or Other Revolving Loans (and Other Revolving Commitments) or new Lenders under a Refinancing Amendment share, or, at their option, not share, in pro rata payments, change Section 2.12, Section 2.13 or Section 8.03 in a manner that would alter the pro rata sharing of payments or the order of payment required thereby without the written consent of each Lender directly affected thereby;

(v) except in connection with the implementation of any Incremental Loans, Incremental Term Loan Commitments or Incremental Revolving Commitments, change any provision of this Section 10.01 or the definition of "Applicable Percentage," "Required Lenders," "Required Revolving Lenders" or "Required Term Lenders" or any other provision hereof specifying the percentage of Lenders required to amend, waive or otherwise modify any rights hereunder or make any determination or grant any consent hereunder, without the written consent of each Lender which is a Lender of the applicable Class so specified;

(vi) permit the assignment or delegation by Parent or a Borrower of any of its rights or obligations under any Loan Document, without the written consent of each Lender;

(vii) subordinate the Finance Obligations to any other obligation without the written consent of each Lender;

(viii) (a) release all or substantially all of the value of the Guaranty Agreement without the written consent of each Lender (provided that the Administrative Agent may, without the consent of any Lender, release any Guarantor (or all or substantially all of the assets of a Guarantor) that is sold or transferred (other than to any Loan Party) in compliance with Section 7.03 or released in compliance with Section 9.11) and (b) release Parent from the Guaranty Agreement without the written consent of each Lender;

(ix) release all or substantially all of the Collateral securing the Senior Credit Obligations hereunder without the written consent of each Lender (provided that the Collateral Agent may, without consent from any other Lender, release any Collateral that is sold or transferred by a Loan Party (other than to any other Loan Party) in compliance with Section 7.03 or released in compliance with Section 9.11);

(x) impose any greater restrictions on the ability of the Lenders of any Class to assign any of their respective rights or obligations hereunder without the written consent of (A) each Revolving Lender if such Class is the Revolving Loans and (B) each Term Lender if such Class is the Term Loans;

(xi) (w) affect the rights or duties of any L/C Issuer under this Agreement or any Letter of Credit Request relating to any Letter of Credit issued or to be issued by it, without the prior written consent of such L/C Issuer; (x) affect the rights or duties of the Swing Line Lender under this Agreement, without the prior written consent of the Swing Line Lender; and (y) affect the rights or duties of the Administrative Agent under this Agreement or any other Loan Document, without the prior written consent of the Administrative Agent;

(xii) amend, modify or waive (A) any Loan Document so as to alter the ratable treatment of (i) Senior Credit Obligations outstanding after the payment of accrued fees and interest, (ii) Swap Obligations and (iii) Cash Management Obligations or (B) the definition of "Swap Creditor," "Swap Obligations," "Finance Obligations," "Claimholders," "Senior Credit Obligations," "Discharge of Senior Credit Obligations," "Secured Cash Management Agreement," "Cash Management Agreement," "Cash Management Obligations" or "Cash Management Bank" in each case in a manner adverse to any Swap Creditor or Cash Management Bank, as applicable, with Swap Obligations or Cash Management Obligations, as applicable, then outstanding without the written consent of any such Swap Creditor or Cash Management Bank (except that additional obligations may be secured pari passu with the Senior Credit Obligations, Swap Obligations and Cash Management Obligations and additional parties may be secured pari passu as Swap Creditors or Cash Management Banks, as applicable);

(xiii) (a) waive any condition set forth in Section 4.01) without the written consent of each Lender; and (b) without limiting the generality of clause (a) above, waive any condition set forth in Section 4.02 as to any Borrowing or the issuance of any Letter of Credit without the written consent of the Required Revolving Lenders or Required Term Lenders, as the case may be; ~~and~~

(xiv) amend, modify or waive any Loan Document so as to add any borrower that is organized under the laws of a jurisdiction other than Ireland, the United States, a State thereof or the District of Columbia without the written consent of each Lender; and

(xv) postpone the Letter of Credit Expiration Date of any Letter of Credit beyond the fifth Business Day prior to the Revolving Termination Date then in effect without the written consent of each Lender directly affected thereby.

Notwithstanding anything to the contrary contained in this Section 10.01, (i) this Agreement and the other Loan Documents may be amended, modified or supplemented with the consent of the Administrative Agent and/or the Collateral Agent at the request of the applicable Borrower without the need to obtain the consent of any other Lender if such amendment is delivered in order to effectuate any amendment, modification or supplement pursuant to the proviso of Section 10.01(a), and (ii) any amendment or waiver that by its terms affects the rights or duties of Lenders holding Loans or Commitments of a particular Class (but not the Lenders holding Loans or Commitments of any other Class) will require only the requisite percentage in interest of the affected Class of Lenders that would be required to consent thereto if such Class of Lenders were the only Class of Lenders.

Notwithstanding anything to the contrary herein, no Defaulting Lender shall have any right to approve or disapprove any amendment, waiver or consent hereunder (and any amendment, waiver or consent which by its terms requires the consent of all Lenders or each affected Lender may be effected with the consent of the applicable Lenders other than Defaulting Lenders), except that (x) the Commitment of any Defaulting Lender may not be increased or extended without the consent of such Lender and (y) any waiver, amendment or modification requiring the consent of all Lenders or each affected Lender that by its terms affects any Defaulting Lender disproportionately adversely relative to other affected Lenders shall require the consent of such Defaulting Lender.

Each Lender and each holder of a Note shall be bound by any waiver, amendment or modification authorized by this Section 10.01 regardless of whether its Note shall have been marked to make reference therein, and any consent by any Lender or holder of a Note pursuant to this Section 10.01 shall bind any Person subsequently acquiring a Note from it, whether or not such Note shall have been so marked.

Section 10.02 Notices; Effectiveness; Electronic Communications.

(a) *Notices Generally*. Except in the case of notices and other communications expressly permitted to be given by telephone (and except as provided in subsection (b) below), all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by facsimile or electronic mail as follows, and all notices and other communications expressly permitted hereunder to be given by telephone shall be made to the applicable telephone number, as follows:

(i) if to Parent, any Borrower, the Administrative Agent, the L/C Issuer or the Swing Line Lender, to the address, facsimile number, electronic mail address or telephone number specified for such Person on Schedule 10.02; and

(ii) if to any other Lender, to the address, facsimile number, electronic mail address or telephone number specified in its Administrative Questionnaire (including, as appropriate, notices delivered solely to the Person designated by a Lender on its Administrative Questionnaire then in effect for the delivery of notices that may contain material non-public information relating to any Borrower).

Notices and other communications sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received; notices and other communications sent by facsimile shall be deemed to have been given when sent (except that, if not given during normal business hours for the recipient, shall be deemed to have been given at the opening of business on the next Business Day for the recipient). Notices and other communications delivered through electronic communications to the extent provided in subsection (b) below shall be effective as provided in such subsection (b).

(b) *Electronic Communications*. Notices and other communications to the Agents, the Lenders and the L/C Issuer hereunder may (subject to Section 10.02(d)) be delivered or furnished by electronic communication (including e-mail, FpML messaging and Internet or intranet websites) pursuant to procedures approved by the Administrative Agent; provided that the foregoing shall not apply to notices to any Lender or L/C Issuer pursuant to Article II if such Lender or the L/C Issuer, as applicable, has notified the Administrative Agent that it is incapable of receiving notices under such Article by electronic communication. The Administrative Agent, the Collateral Agent, the Swing Line Lender, any L/C Issuer or any Borrower may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it (including as set forth in Section 10.02(d)); provided that approval of such procedures may be limited to particular notices or communications.

Unless the Administrative Agent otherwise prescribes, (i) notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement), and (ii) notices or communications posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient at its e-mail address as described in the foregoing clause (i) of notification that such notice or communication is available and identifying the website address therefor; provided that, for both clauses (i) and (ii), if such notice, email or other communication is not sent during the normal business hours of the recipient, such notice, email or communication shall be deemed to have been sent at the opening of business on the next business day for the recipient.

(c) *Change of Address, Etc*. Each of Parent, the Borrowers, the Administrative Agent, the L/C Issuer and the Swing Line Lender may change its address, facsimile or telephone number for notices and other communications hereunder by notice to the other parties hereto which, in the case of a notice delivered to the Administrative Agent, shall be deemed to have been delivered to each other Finance Party, as applicable). Each other Lender may change its address, facsimile or telephone number for notices and other communications hereunder by notice to the Lead Borrower, the Administrative Agent, the L/C Issuer and the Swing Line Lender. In addition, each Lender agrees to notify the Administrative Agent from time to time to ensure that the Administrative Agent has on record (i) an effective address, contact name, telephone number, facsimile number and electronic mail address to which notices and other communications may be sent and (ii) accurate wire instructions for such Lender. Furthermore, each Public Lender agrees to cause at least one individual at or on behalf of such Public Lender to at all times have selected the "Private Side Information" or similar designation on the content declaration screen of the Platform in order to enable such Public Lender or its delegate, in accordance with such Public Lender's compliance procedures and applicable Law, including United States Federal and state securities Laws, to

make reference to Borrower Materials that are not made available through the "Public Side Information" portion of the Platform and that may contain material non-public information with respect to the Borrower or its securities for purposes of United States Federal or state securities laws.

(d) *Reliance by Administrative Agent, L/C Issuer and Lenders*. The Administrative Agent, the L/C Issuer and the Lenders shall be entitled to rely and act upon any notices (including telephonic notices, Notices of Borrowing, Letter of Credit Applications, Letter of Credit Requests and Swing Line Loan Notices) purportedly given by or on behalf of any Borrower even if (i) such notices were not made in a manner specified herein, were incomplete or were not preceded or followed by any other form of notice specified herein, or (ii) the terms thereof, as understood by the recipient, varied from any confirmation thereof. The Loan Parties shall indemnify the Administrative Agent, the L/C Issuer, each Lender and the Related Parties of each of them from all losses, costs, expenses and liabilities resulting from the reliance by such Person on each notice purportedly given by or on behalf of any Borrower. All telephonic notices to and other telephonic communications with the Administrative Agent may be recorded by the Administrative Agent, and each of the parties hereto hereby consents to such recording.

(e) *Posting*. Each Loan Party hereby agrees that it will provide to the Administrative Agent all information, documents and other materials that it is obligated to furnish to the Administrative Agent pursuant to this Agreement and any other Loan Document, including all notices, requests, financial statements, financial and other reports, certificates and other information materials, but excluding any such communication that (i) relates to a request for a new, or a conversion of an existing, Borrowing or other extension of credit (including any election of an interest rate or Interest Period relating thereto), (ii) relates to the payment of any principal or other amount due under this Agreement prior to the scheduled date therefor, (iii) provides notice of any Default under this Agreement or (iv) is required to be delivered to satisfy any condition precedent to the effectiveness of this Agreement and/or any borrowing or other extension of credit hereunder (all such non-excluded communications, collectively, the "Communications"; such excluded communications the "Excluded Communications"), by transmitting the Communications in an electronic/soft medium in a format reasonably acceptable to the Administrative Agent to the e-mail address(es) specified in Schedule 10.2 hereto or at such other e-mail address(es) provided to the Lead Borrower from time to time or in such other form, including hard copy delivery thereof, as the Administrative Agent shall require. In addition, each Loan Party agrees to continue to provide the Communications to the Administrative Agent in the manner specified in this Agreement or any other Loan Document or in such other form, including hard copy delivery thereof, as the Administrative Agent shall require. Nothing in this Section 10.02 shall prejudice the right of the Agents, any Lender or any Loan Party to give any notice or other communication pursuant to this Agreement or any other Loan Document in any other manner specified in this Agreement or any other Loan Document or as any such Agent shall require. Excluded Communications shall be delivered to the Administrative Agent by facsimile communication or as the Administrative Agent shall direct.

The Communications required to be delivered pursuant to Section 6.01 may be delivered electronically and if so delivered, shall be deemed to have been delivered on the date (i), in the case of financial statements and Communications referred to in Section 6.01(a) and (b) and Section 6.02 on which such financial statements and/or appropriate disclosures are publicly available as posted on the Electronic Data Gathering, Analysis and Retrieval system (EDGAR) or any successor filing system of the SEC, (ii) a Borrower posts such documents, or provides a link thereto on the U.S. Borrower's website on the Internet; or (iii) on which such documents are posted on behalf of the applicable Borrower on an Internet or Intranet website, if any, to which the Administrative Agent has access (whether a commercial, third-party website or whether sponsored by the Administrative Agent); provided that: (i) upon written request by the Administrative Agent, the Lead Borrower shall deliver copies (which may be electronic) of such documents to the Administrative Agent until a written request to cease delivering copies is given by the Administrative

Agent and (ii) the Lead Borrower shall notify (which may be by facsimile or electronic mail) the Administrative Agent (and each Lender if there is at the time no incumbent Administrative Agent) of the posting of any such documents and provide to the Administrative Agent by electronic mail electronic versions (i.e. soft copies) of such documents. The Administrative Agent shall have no obligation to request the delivery or to maintain copies of the documents referred to above, and in any event shall have no responsibility to monitor compliance by any Borrower with any such request for delivery, and each Lender shall be solely responsible for requesting delivery to it or maintaining its copies of such documents. Furthermore, if any financial statement, certificate or other information required to be delivered pursuant to Section 6.01 shall be required to be delivered on any date that is not a Business Day, such financial statement, certificate or other information may be delivered to the Administrative Agent on the next succeeding Business Day after such date.

To the extent consented to by the Administrative Agent in writing from time to time, the Administrative Agent agrees that receipt of the Communications by the Administrative Agent at its e-mail address(es) set forth above shall constitute effective delivery of the Communications to the Administrative Agent for purposes of the Loan Documents; provided that the Lead Borrower shall also deliver to the Administrative Agent an executed original of each Compliance Certificate required to be delivered hereunder.

Each Loan Party further agrees that the Administrative Agent may make the Communications available to the Lenders by posting the Communications on a Platform. The Platform is provided "as is" and "as available." The Agent Parties (as defined below) do not warrant the accuracy or completeness of the Communications, or the adequacy of the Platform and expressly disclaim liability for errors or omissions in the Communications. No warranty of any kind, express, implied or statutory, including, without limitation, any warranty of merchantability, fitness for a particular purpose, non-infringement of third party rights or freedom from viruses or other code defects, is made by any Agent in connection with the Communications or the Platform. In no event shall the Administrative Agent or any of its Related Parties (collectively, the "Agent Parties") have any liability to the Loan Parties, any Lender, any L/C Issuer, or any other Person for damages of any kind, including direct or indirect, losses or expenses (whether in tort, contract or otherwise) arising out of any Loan Party's or the Administrative Agent's transmission of Borrower Materials (as defined below) or notices through the Platform, any other electronic platform or electronic messaging service, or through the Internet, except to the extent the liability of such Person is found in a final non-appealable judgment by a court of competent jurisdiction to have resulted from such Person's gross negligence, bad faith or willful misconduct. Additionally, in no event shall the Administrative Agent or any of its Related Parties have any liability to the Loan Parties, any Lender, any L/C Issuer, or any other Person for any special, incidental or consequential damages.

Each Borrower hereby acknowledges that (i) the Administrative Agent, the Lead Arrangers, the Amendment No. 1 Arrangers and/or the Amendment No. ~~1~~2 Arrangers will make available to the Lenders and the L/C Issuer materials and/or information provided by or on behalf of the Borrowers hereunder (collectively, "Borrower Materials") by posting the Borrower Materials on IntraLinks, Syndtrak, ClearPar or another substantially similar electronic transmission system (the "Platform") and (ii) certain of the Lenders may be "public-side" Lenders (i.e., Lenders that do not wish to receive material non-public information with respect to each Borrower or their Affiliates, or the respective securities of any of the foregoing, and who may be engaged in investment and other market-related activities with respect to such Persons' securities) (each, a "Public Lender"). Each Borrower hereby agrees that so long as the Parent is the issuer of any outstanding debt or equity securities that are issued pursuant to a public offering registered with the SEC or in a private placement for resale pursuant to Rule 144A under the Securities Act of 1933, as amended, or is actively contemplating issuing any such securities: (i) all Borrower Materials are to be made available to Public Lenders unless clearly and conspicuously marked "Private – Contains Non-Public

Information" which, at a minimum, shall mean that the words "Private – Contains Non-Public Information" shall appear prominently on the first page thereof; (ii) by not marking Borrower Materials "Private – Contains Non-Public Information," each Borrower shall be deemed to have authorized the Administrative Agent, the Lead Arrangers, the Joint Bookrunners, the Amendment No. 1 Arrangers, the Amendment No. 2 Arrangers, the L/C Issuer and the Lenders to treat such Borrower Materials as not containing any material non-public information with respect to any Borrower or its securities for purposes of United States Federal and state securities laws (provided, however, that to the extent such Borrower Materials constitute Information, they shall be treated as set forth in Section 10.07); (iii) all Borrower Materials that are not marked "Private – Contains Non-Public Information" are permitted to be made available through a portion of the Platform designated "Public Investor," and (iv) the Administrative Agent, the Lead Arrangers and the Amendment No. 1 Arrangers, the Amendment No. 2 Arrangers shall be entitled to treat any Borrower Materials that are marked "Private – Contains Non-Public Information" as being suitable only for posting on a portion of the Platform not designated "Public Investor."

Section 10.03 No Waiver; Cumulative Remedies; Enforcement. No failure by any Lender or any L/C Issuer or by the Administrative Agent to exercise, and no delay by any such Person in exercising, any right, remedy, power or privilege hereunder or under any other Loan Document shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges herein provided, and provided under each other Loan Document, are cumulative and not exclusive of any rights, remedies, powers and privileges provided by Law.

Notwithstanding anything to the contrary contained herein or in any other Loan Document, the authority to enforce rights and remedies hereunder and under the other Loan Documents against the Loan Parties or any of them shall be vested exclusively in, and all actions and proceedings at law in connection with such enforcement shall be instituted and maintained exclusively by, the Administrative Agent in accordance with Section 8.02 for the benefit of all the Lenders and the L/C Issuer; provided, however, that the foregoing shall not prohibit (a) the Administrative Agent from exercising on its own behalf the rights and remedies that inure to its benefit (solely in its capacity as Administrative Agent) hereunder and under the other Loan Documents, (b) the L/C Issuer or the Swing Line Lender from exercising the rights and remedies that inure to its benefit (solely in its capacity as L/C Issuer or Swing Line Lender, as the case may be) hereunder and under the other Loan Documents, (c) any Lender from exercising setoff rights in accordance with Section 10.08 (subject to the terms of Section 2.13), or (d) any Lender from filing proofs of claim or appearing and filing pleadings on its own behalf during the pendency of a proceeding relative to any Loan Party under any Bankruptcy Law; and provided, further, that if at any time there is no Person acting as Administrative Agent hereunder and under the other Loan Documents, then (i) the Required Lenders shall have the rights otherwise ascribed to the Administrative Agent pursuant to Section 8.02 and (ii) in addition to the matters set forth in clauses (b), (c) and (d) of the preceding proviso and subject to Section 2.13, any Lender may, with the consent of the Required Lenders, enforce any rights and remedies available to it and as authorized by the Required Lenders.

Section 10.04 Expenses; Indemnity; Damage Waiver.

(a) *Costs and Expenses*. The Loan Parties, jointly and severally, agree to pay (i) all reasonable and documented out-of-pocket costs and expenses incurred by the Administrative Agent, the Collateral Agent, the Lead Arrangers, the Joint Bookrunners, the Amendment No. 1 Arrangers and the Amendment No. ~~1~~2 Arrangers and their respective Affiliates (including the reasonable and documented fees, charges and disbursements of counsel for the Administrative Agent and/or the Collateral Agent) in connection with the syndication and closing of the Loans provided for herein, the preparation, negotiation,

execution, delivery and administration of this Agreement and the other Loan Documents or any amendment, amendment and restatement, modification or waiver of the provisions hereof or thereof (whether or not the transactions contemplated hereby or thereby shall be consummated), including in connection with post-closing searches to confirm that security filings and recordations have been properly made and including any costs and expenses of the service provider referred to in Section 9.03 and in connection with its the protection of its rights and remedies (A) in connection with this Agreement and the other Loan Documents, including its rights under this Section 10.04, or (B) in connection with the Loans made or Letters of Credit issued hereunder, including all such reasonable out-of-pocket expenses incurred during any legal proceeding, including any Insolvency or Liquidation Proceeding, and including in connection with any workout, restructuring or negotiations in respect of such Loans or Letters of Credit, (ii) all reasonable out of pocket expenses incurred by any L/C Issuer in connection with the issuance, amendment, renewal or extension of any Letter of Credit or any demand for payment thereunder, and (iii) all reasonable out of pocket expenses incurred by the Administrative Agent, the Collateral Agent, any Lender or any L/C Issuer (including the fees, charges and disbursements of counsel for the Administrative Agent, the Collateral Agent, any Lender or any L/C Issuer), in connection with the enforcement or protection of its rights and remedies (A) in connection with this Agreement and the other Loan Documents, including its rights under this Section 10.04, or (B) in connection with the Loans made or Letters of Credit issued hereunder, including all such reasonable out-of-pocket expenses incurred during any legal proceeding, including any proceeding under any Bankruptcy Law, and including in connection with any workout, restructuring or negotiations in respect of such Loans or Letters of Credit; provided, however, that no Borrower will be required to pay the fees and expenses of third party advisors to the Administrative Agent, the Collateral Agent, any Lender or any L/C Issuer (which shall not include counsel) retained without the consent of the Lead Borrower (such consent not to be unreasonably withheld or delayed) or more than (x) one counsel to the Administrative Agent and the Collateral Agent (plus one local counsel in each applicable local jurisdiction and one specialty counsel in each applicable specialty) and (y) one counsel to the Required Lenders (plus one local counsel in each applicable local jurisdiction, one specialty counsel in each applicable specialty and any additional counsel for a Lender reasonably deemed appropriate due to potential conflicts of interest incurred in connection with the enforcement protection of its rights and remedies pursuant to this Section 10.04(a)).

(b) *Indemnification by Borrower*. The Loan Parties, jointly and severally, shall indemnify the Administrative Agent (and any sub-agent thereof), the Collateral Agent (and any sub-agent thereof), the Lead Arrangers, the Joint Bookrunners, the Amendment No. 1 Arrangers, the Amendment No. 2 Arrangers, each Lender and each L/C Issuer, and each Related Party of any of the foregoing Persons and their respective successors and assigns (each such Person being called an "Indemnitee") against, and hold each Indemnitee harmless from, any and all liabilities, obligations, losses, damages, penalties, claims, demands, actions, judgments, suits, costs (including settlement costs), disbursements and out-of-pocket fees and expenses (including the fees, charges and disbursements of counsel) incurred by any Indemnitee or asserted against any Indemnitee by any third party or by any Borrower or any other Loan Party arising out of, in connection with, or as a result of (i) the execution or delivery of this Agreement, any other Loan Document, or any amendment, amendment and restatement, modification or waiver of the provisions hereof or thereof, or any agreement or instrument contemplated hereby or thereby, the performance by the parties hereto of their respective obligations hereunder or thereunder or the consummation of the transactions contemplated hereby, thereby, or related thereto or, in the case of the Administrative Agent (and any sub-agent thereof) and its Related Parties only, the administration of this Agreement and the other Loan Documents, (ii) any Loan or Letter of Credit or the use or proposed use of the proceeds therefrom (including any refusal by the L/C Issuer to honor a demand for payment under a Letter of Credit if the documents presented in connection with such demand do not strictly comply with the terms of such Letter of Credit), (iii) any actual or alleged presence or Release or threatened Release of Hazardous Materials on, at, under or from any property owned, leased or operated by any Borrower or any of its Restricted

Subsidiaries at any time, or any Environmental Liability related in any way to any Borrower or any of its Restricted Subsidiaries, or (iv) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory, whether brought by a third party or by any Borrower or any other Loan Party, and regardless of whether any Indemnitee is a party thereto (all the foregoing, collectively, the "Indemnified Liabilities"); provided that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses (x) are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence, bad faith or willful misconduct of such Indemnitee or a Related Party thereof, or (y) disputes solely among Indemnitees not involving any act or omission of any Loan Party or any of their respective Related Parties (other than a dispute against the Administrative Agent, Collateral Agent, any Lead Arrangers, any Joint Bookrunner, any Amendment No. 1 Arranger or any Amendment No. ~~1~~2 Arranger in their capacities as such); provided further that the Loan Parties shall not be required to reimburse the legal fees and expenses of more than one counsel (in addition to one special counsel in each specialty area, up to one local counsel in each applicable local jurisdiction and any additional counsel for an Indemnitee reasonably deemed appropriate by virtue of potential conflicts of interests incurred in connection with investigating, defending or preparing to defend any such action, suit, proceeding (including any inquiry or investigation) or claim (whether or not any Agent, any Lender or any other such Indemnitee is a party to any action or proceeding out of which any such expenses arise)) or one other third party advisor for all Indemnitees (plus any additional third party advisor for an Indemnitee reasonably deemed appropriate by virtue of potential conflicts of interests incurred in connection with investigating, defending or preparing to defend any such action, suit, proceeding (including any inquiry or investigation) or claim (whether or not any Agent, any Lender or any other such Indemnitee is a party to any action or proceeding out of which any such expenses arise).

(c) *Waiver of Consequential Damages, Etc*. To the fullest extent permitted by applicable Law, no Loan Party shall assert, and each Loan Party hereby waives, any claim against any Indemnitee, and each of the Agents, each L/C Issuer and each Lender agrees not to assert or permit any of their respective subsidiaries to assert any claim against Parent or any of its Subsidiaries or any of their respective directors, officers, employees, attorneys, agents or advisors, on any theory of liability, for special, indirect, consequential (including, without limitation, any loss of profits, business or anticipated savings) or punitive damages (in each case, as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any other Loan Document or any agreement or instrument contemplated hereby, the transactions contemplated hereby or thereby, any Loan or Letter of Credit or the use of the proceeds thereof (for the avoidance of doubt, nothing in this Section 10.04(c) shall limit any Indemnitee's right to indemnification provisions for third party claims as set forth in Section 10.04(b)). No Indemnitee referred to in subsection (b) above shall be liable for any damages arising from the use by unintended recipients of any information or other materials distributed by it through telecommunications, electronic or other information transmission systems in connection with this Agreement or the other Loan Documents or the transactions contemplated hereby or thereby.

(d) *Payments*. All amounts due under this Section shall be payable not later than ten Business Days after demand therefor.

(e) *Survival*. The agreements in this Section and the indemnity provision of Section 10.02(e) shall survive the resignation of the Administrative Agent, any L/C Issuer and the Swing Line Lender, the replacement of any Lender, the termination of the Commitments and the repayment, satisfaction or discharge of all the other Senior Credit Obligations.

Section 10.05 Payments Set Aside. To the extent that any payment by or on behalf of any Borrower or any other Loan Party is made to the Administrative Agent, any L/C Issuer or any Lender,

or the Administrative Agent, any L/C Issuer or any Lender exercises its right of setoff, and such payment or the proceeds of such setoff or any part thereof is subsequently invalidated, declared to be fraudulent or preferential, set aside or required (including pursuant to any settlement entered into by the Administrative Agent, such L/C Issuer or such Lender in its discretion) to be repaid to a trustee, receiver or any other party, in connection with any proceeding under any Insolvency or Liquidation Proceeding or otherwise, then (i) to the extent of such recovery, the obligation or part thereof originally intended to be satisfied shall be revived and continued in full force and effect as if such payment had not been made or such setoff had not occurred, and (ii) each Lender severally agrees to pay to the Administrative Agent and such L/C Issuer upon demand its applicable share (without duplication) of any amount so recovered from or repaid by the Administrative Agent, plus interest thereon from the date of such demand to the date such payment is made at a rate per annum equal to the Federal Funds Rate from time to time in effect. The obligations of the Lenders and the L/C Issuer under clause (ii) of the preceding sentence shall survive the payment in full of the Senior Credit Obligations and the termination of this Agreement.

Section 10.06 Successors and Assigns.

(a) *Successors and Assigns Generally*. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that no Loan Party may assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of the Administrative Agent, the L/C Issuer, the Swing Line Lender and each Lender and no Lender may assign or otherwise transfer any of its rights or obligations hereunder except (i) to an Eligible Assignee in accordance with the provisions of subsection (b) of this Section 10.06, (ii) by way of participation in accordance with the provisions of subsection (d) of this Section 10.06 or (iii) by way of pledge or assignment of a security interest subject to the restrictions of subsection (f) of this Section 10.06 (and any other attempted assignment or transfer by any party hereto, except as set forth in Section 10.06(h)(i), shall be null and void). Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, Participants to the extent provided in subsection (d) of this Section and, to the extent expressly contemplated hereby, the other Indemnitees) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) *Assignments by Lenders*. Any Lender may at any time assign to one or more Eligible Assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitments and the Loans (including for purposes of this subsection (b), any Participation Interests in the Letters of Credit and Swing Line Loans) at the time owing to it); provided, however, that:

(i) an assignment of the entire remaining amount of the assigning Lender's Commitment and the Loans of the applicable Class, as the case may be, owing to it or in the case of an assignment to a Lender or an Affiliate of a Lender or an Approved Fund with respect to a Lender, (A) the aggregate amount of the Revolving Commitment (which for this purpose includes Revolving Loans outstanding thereunder) or, if the Revolving Commitments are not then in effect, the principal outstanding balance of the Revolving Loans of the assigning Lender subject to each such assignment, determined as of the date the Assignment and Assumption with respect to such assignment is delivered to the Administrative Agent or, if "Trade Date" is specified in the Assignment and Assumption, as of the Trade Date, shall not be less than $5,000,000 unless each of the Administrative Agent and, so long as no Event of Default has occurred and is continuing, the applicable Borrower otherwise consents (each such consent not to be unreasonably withheld or delayed) and (B) the aggregate amount of any Term Loans of an assigning Lender subject to each such assignments, determined as of the date the Assignment and Assumption with respect to such assignment is delivered to the Administrative Agent or, if "Trade Date" is specified in the

Assignment and Assumption, as of the Trade Date, shall not be less than $1,000,000 unless each of the Administrative Agent and, so long as no Event of Default has occurred and is continuing, the applicable Borrower otherwise consents (each such consent not to be unreasonably withheld or delayed); provided, however, that concurrent assignments to members of an Assignee Group and concurrent assignments from members of an Assignee Group to a single Eligible Assignee (or to an Eligible Assignee and members of its Assignee Group) will be treated as a single assignment for purposes of determining whether such minimum amount has been met;

(ii) each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lenders' rights and obligations under this Agreement with respect to the Loans or the Commitment assigned, except that this clause (ii) shall not apply to rights in respect of Swing Line Loans;

(iii) the parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Assumption, together with a processing and recordation fee in the amount of $3,500; provided, however, that the Administrative Agent may, in its sole discretion, elect to waive such processing and recordation fee in the case of any assignment; provided, further, that only a single processing and recordation fee shall be payable in respect of multiple contemporaneous assignments to Approved Funds with respect to any Lender. The assignee, if it is not a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire;

(iv) no such assignment shall be made to any Defaulting Lender or any of its Subsidiaries, or any Person who, upon becoming a Lender hereunder, would constitute any of the foregoing Persons described in this subclause (iv); and

(v) in connection with any assignment of rights and obligations of any Defaulting Lender hereunder, no such assignment shall be effective unless and until, in addition to the other conditions thereto set forth herein, the parties to the assignment shall make such additional payments to the Administrative Agent in an aggregate amount sufficient, upon distribution thereof as appropriate (which may be outright payment, purchases by the assignee of participations or subparticipations, or other compensating actions, including funding, with the consent of the applicable Borrower and the Administrative Agent, the applicable pro rata share of Loans previously requested but not funded by the Defaulting Lender, to each of which the applicable assignee and assignor hereby irrevocably consent), to (x) pay and satisfy in full all payment liabilities then owed by such Defaulting Lender to the Administrative Agent, the L/C Issuer or any Lender hereunder (and interest accrued thereon) and (y) acquire (and fund as appropriate) its full pro rata share of all Loans and participations in Letters of Credit and Swing Line Loans in accordance with its Applicable Percentage. Notwithstanding the foregoing, in the event that any assignment of rights and obligations of any Defaulting Lender hereunder shall become effective under applicable Law without compliance with the provisions of this paragraph, then the assignee of such interest shall be deemed to be a Defaulting Lender for all purposes of this Agreement until such compliance occurs.

Subject to acceptance and recording thereof by the Administrative Agent pursuant to subsection (c) of this Section, from and after the effective date specified in each Assignment and Assumption, the Eligible Assignee thereunder shall be a party to this Agreement and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender's rights and obligations under this Agreement, such

Lender shall cease to be a party hereto) but shall continue to be entitled to the benefits of Sections 3.01, 3.04, 3.05, and 10.04 with respect to facts and circumstances occurring prior to the effective date of such assignment; provided that except to the extent otherwise expressly agreed by the affected parties, no assignment by a Defaulting Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender's having been a Defaulting Lender. Upon request, the applicable Borrower (at its expense) shall execute and deliver a Note or Notes to the assignee Lender. Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this subsection shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with subsection (d) of this Section 10.06.

(c) *Register*. The Administrative Agent, acting solely for this purpose as agent of the Borrowers (and such agency being solely for tax purposes), shall maintain at the Administrative Agent's Office a copy of each Assignment and Assumption delivered to it (or the equivalent thereof in electronic form) and a register for the recordation of the names and addresses of the Lenders, and the Commitments of, and principal amounts (and related interest amounts) of the Loans and L/C Obligations owing to, each Lender pursuant to the terms hereof from time to time (the "Register"). The Register shall record each transfer of the Loans to a transferee upon written notification by the registered owner of such transfer, provided, however, that failure to make any such recordation, or any error in such recordation, shall not affect any Lender's Commitments in respect of any Loan. The entries in the Register shall be conclusive absent manifest error, and each Borrower, the Administrative Agent, the L/C Issuer and the Lenders shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. In addition, the Administrative Agent shall maintain on the Register information regarding the designation, and revocation of designation, of any Lender as a Defaulting Lender. The Register shall be available for inspection by each Borrower, the L/C Issuer, the Collateral Agent, the Swing Line Lender and, with respect to its own interest only, any other Lender, at any reasonable time and from time to time upon reasonable prior notice.

(d) *Participations*. Any Lender may at any time, without the consent of, or notice to, the applicable Borrower, the Administrative Agent, the L/C Issuer or the Swing Line Lender sell participations to any Person (other than a natural Person, or a holding company, investment vehicle or trust for, or owned and operated for the primary benefit of a natural Person, Parent or any of its Subsidiaries) (each, a "Participant") in all or a portion of such Lender's rights and/or obligations under this Agreement (including all or a portion of its Commitment and/or the Loans (including such Lender's participations in L/C Obligations and/or Swing Line Loans) owing to it); provided that (i) such Lender's obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (iii) the applicable Borrower, the Administrative Agent and the Lenders and L/C Issuer shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. For the avoidance of doubt, each Lender shall be responsible for the indemnity under Section 10.04(c) without regard to the existence of any participation.

Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce the Loan Documents and to approve any amendment, modification or waiver of any provision of the Loan Documents; provided that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver described in the first proviso to Section 10.01 that directly affects such Participant. Subject to subsection (e) of this Section, each Borrower agrees that each Participant shall be entitled to the benefits of Sections 3.01 or 3.04, and 3.05 (subject to the requirements and limitations of such Sections) to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to subsection (b) of this Section (it being understood that any documentation required under Section 3.01(f)

shall be delivered to the Lender who sells the participation on or before the date on which such sale occurs) to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to paragraph (b) of this Section; provided that such Participant (A) agrees to be subject to the provisions of Sections 3.07 as if it were an assignee under paragraph (b) of this Section and (B) shall not be entitled to receive any greater payment under Sections 3.01 or 3.04, with respect to any participation, than the Lender from whom it acquired the applicable participation would have been entitled to receive, except to the extent such entitlement to receive a greater payment results from a Change in Law that occurs after the Participant acquired the applicable participation. Each Lender that sells a participation agrees, at each Borrower's request and expense, to use reasonable efforts to cooperate with each Borrower to effectuate the provisions of Section 3.07 with respect to any Participant. To the extent permitted by Law, each Participant also shall be entitled to the benefits of Section 10.08 as though it were a Lender, provided that such Participant agrees to be subject to Section 2.13 as though it were a Lender.

Each Lender that sells a participation shall, acting solely for this purpose as a non-fiduciary agent of the applicable Borrower, maintain a register on which it enters the name and address of each Participant and the principal amounts (and related interest amounts) of each Participant's interest in the Loans or other obligations under the Loan Documents (the "Participant Register"); provided that no Lender shall have any obligation to disclose all or any portion of the Participant Register to any Person (including the identity of any Participant or any information relating to a Participant's interest in any Commitments, Credit Extensions or other obligations under any Loan Document) except to the extent that such disclosure is necessary in connection with a Tax audit or other proceeding to establish that any such Commitment, Credit Extension or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. The entries in the Participant Register shall be conclusive, absent manifest error, and such Lender shall treat each person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. For the avoidance of doubt, the Administrative Agent (in its capacity as Administrative Agent) shall have no responsibility for maintaining a Participant Register.

No participation shall be or shall be deemed to be a discharge, rescission, extinguishment or substitution of any outstanding Loan and any Loan subject to a participation shall continue to be the same obligation and not a new obligation.

(e) *Limitations on Participant Rights*. A Participant shall not be entitled to receive any greater payment under Sections 3.01 or 3.04 than the applicable Lender would have been entitled to receive with respect to the participation sold to such Participant, unless the sale of the participation to such Participant is made with the applicable Borrower's prior written consent (not to be unreasonably withheld or delayed) or the right to receive a greater payment results from a Change in Law after the participant becomes a Participant.

(f) *Certain Pledges*. Any Lender may at any time, without the consent of the Borrowers or the Administrative Agent, pledge or assign a security interest in all or any portion of its rights under this Agreement (including under its Note, if any) to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank; provided that no such pledge or assignment shall release such Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

(g) *Electronic Execution of Assignments and Certain Other Documents*. The words "execution," "execute", "signed," "signature," and words of like import in or related to any document to be signed in connection with this Agreement and the transactions contemplated hereby (including without limitation Assignment and Assumptions, amendments or other Notices of Borrowing, Swing Line Loan

Notices, waivers and consents) shall be deemed to include electronic signatures, the electronic matching of assignment terms and contract formations on electronic platforms approved by the Administrative Agent, or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable Law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act; provided that notwithstanding anything contained herein to the contrary the Administrative Agent is under no obligation to agree to accept electronic signatures in any form or in any format unless expressly agreed to by the Administrative Agent pursuant to procedures approved by it.

(h) *Disqualified Institutions*.

(i) No assignment or participation shall be made to any Person that was a Disqualified Institution as of the date (the "Trade Date") on which the assigning Lender entered into a binding agreement to sell and assign all or a portion of its rights and obligations under this Agreement to such Person (unless the applicable Borrower has consented to such assignment in writing in its sole and absolute discretion, in which case such Person will not be considered a Disqualified Institution for the purpose of such assignment or participation). For the avoidance of doubt, with respect to any assignee that becomes a Disqualified Institution after the applicable Trade Date (including as a result of the delivery of a notice pursuant to, and/or the expiration of the notice period referred to in, the definition of "Disqualified Institution"), (x) such assignee shall not retroactively be disqualified from becoming a Lender and (y) the execution by the applicable Borrower of an Assignment and Assumption with respect to such assignee will not by itself result in such assignee no longer being considered a Disqualified Institution. Any assignment in violation of this clause (h)(i) shall not be void, but the other provisions of this clause (h) shall apply.

(ii) If any assignment or participation is made to any Disqualified Institution without the applicable Borrower's prior written consent in violation of clause (i) above, or if any Person becomes a Disqualified Institution after the applicable Trade Date, the applicable Borrower may, at its sole expense and effort, upon notice to the applicable Disqualified Institution and the Administrative Agent, (A) terminate any Revolving Commitment of such Disqualified Institution and repay all obligations of the Borrowers owing to such Disqualified Institution in connection with such Revolving Commitment; provided that proceeds of Revolving Loans may not be used for such purpose, (B) in the case of outstanding Term Loans held by Disqualified Institutions, purchase or prepay such Term Loan by paying the lesser of (x) the principal amount thereof and (y) the amount that such Disqualified Institution paid to acquire such Term Loans, in each case plus accrued interest, accrued fees and all other amounts (other than principal amounts) payable to it hereunder; provided that proceeds of Revolving Loans may not be used for such purpose and/or (C) require such Disqualified Institution to assign, without recourse (in accordance with and subject to the restrictions contained in this Section 10.06), all of its interest, rights and obligations under this Agreement to one or more Eligible Assignees at the lesser of (x) the principal amount thereof and (y) the amount that such Disqualified Institution paid to acquire such interests, rights and obligations, in each case plus accrued interest, accrued fees and all other amounts (other than principal amounts) payable to it hereunder.

(iii) Notwithstanding anything to the contrary contained in this Agreement, Disqualified Institutions (A) will not (x) have the right to receive information, reports or other materials provided to Lenders by the applicable Borrower, the Administrative Agent or any other Lender, (y) attend or participate in meetings attended by the Lenders and the Administrative Agent,

or (z) access any electronic site established for the Lenders or confidential communications from counsel to or financial advisors of the Administrative Agent or the Lenders and (B) (x) for purposes of any consent to any amendment, waiver or modification of, or any action under, and for the purpose of any direction to the Administrative Agent or any Lender to undertake any action (or refrain from taking any action) under this Agreement or any other Loan Document, each Disqualified Institution will be deemed to have consented in the same proportion as the Lenders that are not Disqualified Institutions consented to such matter, and (y) for purposes of voting on any plan of reorganization or plan of liquidation pursuant to any Bankruptcy Laws (a "Bankruptcy Plan"), each Disqualified Institution party hereto hereby agrees (1) not to vote on such Bankruptcy Plan, (2) if such Disqualified Institution does vote on such Bankruptcy Plan notwithstanding the restriction in the foregoing clause (1), such vote will be deemed not to be in good faith and shall be "designated" pursuant to Section 1126(e) of the Bankruptcy Code (or any similar provision in any other Bankruptcy Laws), and such vote shall not be counted in determining whether the applicable class has accepted or rejected such Bankruptcy Plan in accordance with Section 1126(c) of the Bankruptcy Code (or any similar provision in any other Bankruptcy Laws) and (3) not to contest any request by any party for a determination by the court hearing such proceeding (or other applicable court of competent jurisdiction) effectuating the foregoing clause (2).

(iv) The Administrative Agent shall have the right, and the Borrower hereby expressly authorizes the Administrative Agent, to (A) post the list of Disqualified Institutions provided by the Lead Borrower and any updates thereto from time to time (collectively, the "DQ List") on the Platform, including that portion of the Platform that is designated for "public side" Lenders and/or (B) provide the DQ List to each Lender requesting the same.

Section 10.07 Treatment of Certain Information; Confidentiality. Each of the Agents, the Lenders and each L/C Issuer agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its Affiliates and to its Related Parties (collectively, "Representatives") (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (b) to the extent required or requested by any Governmental Authority or regulatory authority purporting to have jurisdiction over such Person or its Related Parties (including any self-regulatory authority, such as the National Association of Insurance Commissioners), (c) to the extent required by applicable Laws or by any subpoena or similar legal process, (d) to any other party hereto, (e) in connection with the exercise of any remedies hereunder or under any other Loan Document or any action or proceeding relating to this Agreement or any other Loan Document or the enforcement of rights hereunder or thereunder, (f) to any state, federal or foreign authority or examiner regulating any Lender, (g) (i) any rating agency, and (ii) subject to an agreement containing provisions substantially the same as those of this Section 10.07, to (x) any assignee of or Participant in (or their Representatives, it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), or any prospective assignee of or Participant in (or their Representatives, it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential) any of its rights or obligations under this Agreement or (y) any actual or prospective counterparty (or its Representatives, it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential) to any swap or derivative transaction relating to the Parent or any Borrower and their respective obligations, (h) with the consent of the Lead Borrower, (i) to the extent such Information (x) becomes publicly available other than as a result of a breach of this Section or (y) becomes available to the Administrative Agent, any Lender, the L/C Issuer or any of their respective Affiliates on a nonconfidential basis from a source other than a Borrower or (j) on a confidential basis to the CUSIP Service Bureau or any similar agency in

connection with the issuance and monitoring of CUSIP numbers of other market identifiers with respect to the credit facilities provided herein. In addition, the Administrative Agent and the Lenders may disclose the existence of this Agreement and information about this Agreement to market data collectors, similar service providers to the lending industry and service providers to the Agents and the Lenders in connection with the administration of this Agreement, the other Loan Documents, and the Commitments.

For purposes of this Section, "Information" means all information received from any Borrower or any of their Subsidiaries relating to any Borrower or any of its Subsidiaries or any of their respective businesses, other than any such information that is available to the Administrative Agent, any Lender or the L/C Issuer on a nonconfidential basis prior to disclosure by such Borrower or any of its Subsidiaries; provided that, in the case of information received from Parent or any of its Subsidiary after the Closing Date, such information is clearly identified at the time of delivery as confidential. Any Person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

Each of the Administrative Agent, the Lenders and the L/C Issuer acknowledges that (a) the Information may include material non-public information concerning Parent or any of its Subsidiaries, as the case may be, (b) it has developed compliance procedures regarding the use of material non-public information and (c) it will handle such material non-public information in accordance with applicable Law, including United States Federal and state securities Laws.

Section 10.08 Right of Setoff. If an Event of Default shall have occurred and be continuing, each Lender, each L/C Issuer, and each of their respective Affiliates is hereby authorized at any time and from time to time, to the fullest extent permitted by applicable Law, to set off and apply any and all deposits (general or special, time or demand, provisional or final, in whatever currency) at any time held and other obligations (in whatever currency) at any time owing by such Lender, the L/C Issuer or any such Affiliate to or for the credit or the account of any Borrower or any other Loan Party against any and all of the then due and owing obligations of such Borrower or such Loan Party, as applicable, now or hereafter existing under this Agreement or any other Loan Document to such Lender or L/C Issuer, irrespective of whether or not such Lender or the L/C Issuer shall have made any demand under this Agreement or any other Loan Document or (x) such obligations may be contingent or unmatured or (y) are owed to a branch or office or Affiliate of such Lender or the L/C Issuer different from the branch or office or Affiliate holding such deposit or obligated on such indebtedness; provided, that in the event that any Defaulting Lender shall exercise any such right of setoff, (x) all amounts so set off shall be paid over immediately to the Administrative Agent for further application in accordance with the provisions of Section 2.17 and, pending such payment, shall be segregated by such Defaulting Lender from its other funds and deemed held in trust for the benefit of the Administrative Agent and the Lenders, and (y) the Defaulting Lender shall provide promptly to the Administrative Agent a statement describing in reasonable detail the Senior Credit Obligations owing to such Defaulting Lender as to which it exercised such right of setoff. The rights of each Lender and L/C Issuer and their respective Affiliates under this Section are in addition to other rights and remedies (including other rights of setoff) that such Lender, the L/C Issuer or their respective Affiliates may have. Each Lender and L/C Issuer agrees to notify the applicable Borrower and the Administrative Agent promptly after any such setoff and application; provided that the failure to give such notice shall not affect the validity of such setoff and application.

Section 10.09 Interest Rate Limitation. Notwithstanding anything to the contrary contained in any Loan Document, the interest paid or agreed to be paid under the Loan Documents shall not exceed the maximum rate of non-usurious interest permitted by applicable Law (the "Maximum Rate"). If the Administrative Agent or any Lender shall receive interest in an amount that exceeds the Maximum

Rate, the excess interest shall be applied to the principal of the Loans or, if it exceeds such unpaid principal, refunded to the applicable Borrower. In determining whether the interest contracted for, charged, or received by the Administrative Agent or a Lender exceeds the Maximum Rate, such Person may, to the extent permitted by applicable Law, (i) characterize any payment that is not principal as an expense, fee, or premium rather than interest, (ii) exclude voluntary prepayments and the effects thereof and (iii) amortize, prorate, allocate, and spread in equal or unequal parts the total amount of interest throughout the contemplated term of the Senior Credit Obligations hereunder.

Section 10.10 Counterparts; Integration; Effectiveness. This Agreement may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement and the other Loan Documents, and any separate letter agreements with respect to fees payable to the Administrative Agent, constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof; provided that, notwithstanding anything contained herein, the Fee Letter shall survive the Closing Date. Except as provided in Section 4.01, this Agreement shall become effective when it shall have been executed by the Administrative Agent and when the Administrative Agent shall have received counterparts hereof that, when taken together, bear the signatures of each of the other parties hereto. Delivery of an executed counterpart of a signature page of this Agreement by facsimile or other electronic imaging means (e.g. “pdf” or “tif”) shall be effective as delivery of a manually executed counterpart of this Agreement.

Section 10.11 Survival of Agreement. All covenants, agreements, representations and warranties made by the Loan Parties in the Loan Documents and in the certificates or other instruments delivered in connection with or pursuant to this Agreement or any other Loan Document or other document delivered pursuant hereto or thereto or in connection herewith or therewith shall be considered to have been relied upon by the other parties hereto and shall survive the execution and delivery of the Loan Documents and the making of any Loans and issuance of any Letters of Credit, regardless of any investigation made by any such other party or on its behalf and notwithstanding that the Agents, the L/C Issuer or any Lender may have had notice or knowledge of any Default, Event of Default, or incorrect representation or warranty at the time of any Credit Extension, and shall continue in full force and effect until the Discharge of Senior Credit Obligations (other than contingent indemnification obligations). The provisions of Sections 2.14, 3.01, 3.04, 3.05, 10.04, and Sections 10.10 through 10.16 shall survive and remain in full force and effect regardless of the repayment of the Loans, the payment of the Reimbursement Obligations, the expiration or termination of the Letters of Credit and the Commitments or the termination of this Agreement or any provision hereof.

Section 10.12 Severability. Any provision of this Agreement or the other Loan Documents held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions hereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction. Without limiting the foregoing provisions of this Section 10.12, if and to the extent that the enforceability of any provisions in this Agreement relating to Defaulting Lenders shall be limited by Bankruptcy Laws, as determined in good faith by the Administrative Agent, the L/C Issuer or the Swing Line Lender, as applicable, then such provisions shall be deemed to be in effect only to the extent not so limited.

Section 10.13 Governing Law; Jurisdiction; Consent to Service of Process.

(a) *Governing Law*. This Agreement and the other Loan Documents and any claims, controversy, dispute or cause of action (whether in contract or tort or otherwise) based upon, arising out of or relating to this Agreement or any other Loan Document (except, as to any other Loan Document, as expressly set forth therein), and the transactions contemplated hereby and thereby shall be governed by, and construed in accordance with, the Law of the State of New York.

(b) *Submission to Jurisdiction*. Each party hereby irrevocably and unconditionally submits, for itself and its property, to the exclusive jurisdiction of the Supreme Court of the State of New York sitting in New York County and of the United States District Court of the Southern District of New York sitting in New York County, and any appellate court from any thereof, in any action or proceeding arising out of or relating to any Loan Document, or for recognition or enforcement of any judgment, and each of the parties hereto irrevocably and unconditionally submits to the jurisdiction of such courts and agrees that all claims in respect of any such action, litigation or proceeding may be heard and determined in such New York State court or, to the fullest extent permitted by applicable Law, in such Federal court. Each of the parties hereto agrees that a final judgment in any such action, litigation or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by Law. Nothing in this Agreement or in any other Loan Document shall affect any right that the Administrative Agent, any Lender or any L/C Issuer may otherwise have to bring any action or proceeding relating to this Agreement or any other Loan Document against any Borrower or its properties in the courts of any jurisdiction.

(c) *Waiver of Venue*. Each party hereby irrevocably and unconditionally waives, to the fullest extent permitted by applicable Laws, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement or any other Loan Document in any court referred to in Section 10.13(b). Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by applicable Law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(d) *Service of Process*. Each party hereto irrevocably consents to service of process in any action or proceeding arising out of or relating to any Loan Document, in the manner provided for notices (other than telecopier) in Section 10.02. Nothing in this Agreement or any other Loan Document will affect the right of any party hereto to serve process in any other manner permitted by applicable Laws. Each of the Parent and each Irish Borrower hereby irrevocably appoints the U.S. Borrower as its agent for service of process with respect to all of the Loan Documents and all other related agreements to which it is a party (the "Process Agent") and the U.S. Borrower hereby accepts such appointment as the Process Agent and hereby agrees to forward promptly to the Parent and each Irish Borrower, as applicable, all legal process addressed to the Parent and each Irish Borrower, as applicable, received by the Process Agent.

(e) *Waiver of Jury Trial*. EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS

AGREEMENT AND THE OTHER LOAN DOCUMENTS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

Section 10.14 PATRIOT Act Notice; Lender's Compliance Certification.

(a) Each Lender that is subject to the Patriot Act (as hereinafter defined) and the Administrative Agent (for itself and not on behalf of any Lender) hereby notifies the Borrowers that pursuant to the requirements of the USA PATRIOT Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001) (the "Patriot Act"), it is required to obtain, verify and record information that identifies each Borrower, which information includes the name, address and tax identification number of each Loan Party and other information regarding such Borrower that will allow such Lender or the Administrative Agent, as applicable, to identify each such Loan Party in accordance with the Patriot Act. Each Borrower shall, promptly following a request by the Administrative Agent or any Lender, provide all documentation and other information that the Administrative Agent or such Lender requests in order to comply with its ongoing obligations under applicable "know your customer" an anti-money laundering rules and regulations, including the Patriot Act. This notice is given in accordance with the requirements of the Patriot Act and is effective as to the Lenders and the Administrative Agent.

(b) *Lenders' Certification*. Each Lender or assignee or Participant of a Lender that is not incorporated under the Laws of the United States or a State thereof (and is not excepted from the certification requirement contained in Section 313 of the Patriot Act and the applicable regulations because it is both (i) an Affiliate of a depository institution or foreign bank that maintains a physical presence in the United States or foreign country and (ii) subject to supervision by a banking regulatory authority regulating such affiliated depository institution or foreign bank) shall deliver to the Administrative Agent the certification or, if applicable, recertification, certifying that such Lender is not a "shell" and certifying to other matters as required by Section 313 of the Patriot Act and the applicable regulations thereunder: (i) within 10 days after the Closing Date or, if later, the date such Lender, assignee or Participant of a Lender becomes a Lender, assignee or Participant of a Lender hereunder and (ii) at such other times as are required under the Patriot Act.

Section 10.15 No Advisory or Fiduciary Responsibility. In connection with all aspects of each transaction contemplated hereby, each Borrower acknowledges and agrees, and acknowledges its Affiliates' understanding, that: (i) the credit facilities provided for hereunder and any related arranging or other services in connection therewith (including in connection with any amendment, waiver or other modification hereof or of any other Loan Document) are an arm's-length commercial transaction between the Parent, the Borrowers and their Affiliates, on the one hand, and the Administrative Agent, the Collateral Agent, the Additional Agents, the Joint Bookrunners, the Lead Arrangers, the Amendment No. 1 Arrangers, the Amendment No. 2 Arrangers and the Lenders, on the other hand, and Parent and each Borrower are capable of evaluating and understanding and understands and accepts the terms, risks and conditions of the transactions contemplated hereby and by the other Loan Documents (including any amendment, waiver or other modification hereof or thereof); (ii) in connection with the process leading to such transaction, the Administrative Agent, the Collateral Agent, the Additional Agents, the Joint Bookrunners, the Lead Arrangers, the Amendment No. 1 Arrangers, the Amendment No. 2 Arrangers and the Lenders are and have been acting solely as a principal and are not the agent or fiduciary for Parent and any Borrower or any of their respective Affiliates, stockholders, creditors or employees or any other Person; (iii) neither the Administrative Agent, the Collateral Agent, the Additional Agents, the Joint Bookrunners, the Lead Arrangers, the Amendment No. 1 Arrangers, the Amendment No. 2 Arrangers nor the Lenders has assumed or will assume an advisory, agency or fiduciary responsibility in favor of any Borrower with respect to any of the transactions contemplated hereby or the process leading thereto, including with respect to any amendment, waiver or other modification hereof or of any other Loan Document (irrespective of whether

the Administrative Agent, the Collateral Agent, the Additional Agents, the Joint Bookrunners, the Lead Arrangers, the Amendment No. 1 Arrangers, the Amendment No. 2 Arrangers and the Lenders have advised or are currently advising any Borrower or any of their respective Affiliates on other matters) and neither the Administrative Agent, the Collateral Agent, the Additional Agents, the Joint Bookrunners, the Lead Arrangers, the Amendment No. 1 Arrangers, the Amendment No. 2 Arrangers nor any Lender has any obligation to Parent, any Borrower or any of their respective Affiliates with respect to the transactions contemplated hereby except those obligations expressly set forth herein and in the other Loan Documents; (iv) the Administrative Agent, the Collateral Agent, the Additional Agents, the Joint Bookrunners, the Lead ~~Arrangers~~Arrangers, the Amendment No. 1 Arrangers, the Amendment No. 2 Arrangers, the Lenders and their respective Affiliates may be engaged in a broad range of transactions that involve interests that differ from those of Parent, each Borrower and their respective Affiliates, and neither the Administrative Agent, the Collateral Agent, the Additional Agents, the Joint Bookrunners, the Lead Arrangers, the Amendment No. 1 Arrangers, the Amendment No. 2 Arrangers nor any Lender has any obligation to disclose any of such interests by virtue of any advisory, agency or fiduciary relationship; and (v) the Administrative Agent, the Collateral Agent, the Additional Agents, the Joint Bookrunners, the Lead Arrangers, the Amendment No. 1 Arrangers, the Amendment No. 2 Arrangers and the Lenders have not provided and will not provide any legal, accounting, regulatory or Tax advice with respect to any of the transactions contemplated hereby (including any amendment, waiver or other modification hereof or of any other Loan Document) and Parent and each Borrower have consulted their own legal, accounting, regulatory and Tax advisors to the extent they have deemed appropriate. Parent and each Borrower hereby waive and release, to the fullest extent permitted by law, any claims that they may have against the Administrative Agent, the Collateral Agent, the Additional Agents, the Joint Bookrunners, the Lead Arrangers, the Amendment No. 1 Arrangers, the Amendment No. 2 Arrangers and the Lenders with respect to any breach or alleged breach of agency or fiduciary duty. Parent and each Borrower further agree not to assert any claim Parent or such Borrower might allege based on any actual or potential conflicts of interest that might be asserted to arise or result from Bank of America and its affiliates' relationships with Parent and each Borrower as described and referred to herein.

Section 10.16 Judgment Currency.

(a) The obligations of the Loan Parties hereunder and under the other Loan Documents to make payments in a specified currency (the "Obligation Currency") shall not be discharged or satisfied by any tender or recovery pursuant to any judgment expressed in or converted into any currency other than the Obligation Currency, except to the extent that such tender or recovery results in the effective receipt by a Finance Party of the full amount of the Obligation Currency expressed to be payable to it under this Agreement or another Loan Document. If, for the purpose of obtaining or enforcing judgment against any Loan Party in any court or in any jurisdiction, it becomes necessary to convert into or from any currency other than the Obligation Currency (such other currency being hereinafter referred to as the "Judgment Currency") an amount due in the Obligation Currency, the conversion shall be made, at the rate of exchange (as quoted by the Administrative Agent or if the Administrative Agent does not quote a rate of exchange on such currency, by a known dealer in such currency designated by the Administrative Agent) determined, in each case, as of the Business Day immediately preceding the date on which the judgment is given (such Business Day being hereinafter referred to as the "Judgment Currency Conversion Date").

(b) If there is a change in the rate of exchange prevailing between the Judgment Currency Conversion Date and the date of actual payment of the amount due, each Borrower covenants and agrees to pay, or cause to be paid, or remit, or cause to be remitted, such additional amounts, if any (but in any event not a lesser amount), as may be necessary to ensure that the amount paid in the Judgment Currency, when converted at the rate of exchange prevailing on the date of payment, will produce the amount of the Obligation Currency which could have been purchased with the amount of Judgment

Currency stipulated in the judgment or judicial award at the rate of exchange prevailing on the Judgment Currency Conversion Date.

(c) For purposes of determining any rate of exchange or currency equivalent for this Section 10.16, such amounts shall include any premium and costs payable in connection with the purchase of the Obligation Currency.

Section 10.17 Acknowledgment and Consents to Bail-In of EEA Financial Institutions. Solely to the extent any Lender or L/C Issuer that is an EEA Financial Institution is a party to this Agreement and notwithstanding anything to the contrary in any Loan Document or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any Lender or L/C Issuer that is an EEA Financial Institution arising under any Loan Document, to the extent such liability is unsecured, may be subject to the Write-Down and Conversion Powers of an EEA Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

(a) the application of any Write-Down and Conversion Powers by an EEA Resolution Authority to any such liabilities arising hereunder which may be payable to it by any Lender or L/C Issuer that is an EEA Financial Institution; and

(b) the effects of any Bail-In Action on any such liability, including, if applicable:

(i) a reduction in full or in part or cancellation of any such liability;

(ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such EEA Financial Institution, its parent undertaking, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Loan Document; or

(iii) the variation of the terms of such liability in connection with the exercise of the Write-Down and Conversion Powers of any EEA Resolution Authority.

~~[Signature Pages Follow]~~

Section 10.18 MIRE Events. In connection with any amendment to this Agreement pursuant to which any increase, extension or renewal of Loans is contemplated, the Borrower shall cause to be delivered to the Collateral Agent for any Mortgaged Property, a completed "life of the loan" Federal Emergency Management Agency Standard Flood Hazard Determination and for any Mortgaged Property with a building in a special flood hazard area, an acknowledgment by the applicable Loan Party, and evidence of flood insurance, as may be required pursuant to the Flood Laws.

Exhibit 10.5

FIRST AMENDMENT TO LEASE

THIS FIRST AMENDMENT TO LEASE (this "***First Amendment***") is made and entered into as of January 29, 2018 (the "***Effective Date***") by and between THE BOARD OF TRUSTEES OF THE LELAND STANFORD JUNIOR UNIVERSITY, a body having corporate powers under the laws of the State of California ("***Landlord***"), and JAZZ PHARMACEUTICALS, INC., a Delaware corporation ("***Tenant***"), in the following factual context:

A. Landlord and Tenant are parties to that certain Lease dated as of January 7, 2015 (the "***Lease***"), pursuant to which Landlord leased to Tenant the building located on that certain real property commonly known as 3170 Porter Drive, Palo Alto, California. Capitalized terms used in this First Amendment that are not otherwise defined herein shall have the meanings given such terms in the Lease.

B. Landlord and Tenant now desire to modify the Lease to clarify the process for Base Rent adjustments, as provided in this First Amendment.

NOW, THEREFORE, intending to be legally bound, the parties agree as follows:

1. Base Rent Adjustments. The last sentence of Section 6.1 is hereby deleted in its entirety and replaced with the following:

> "Base Rent shall be increased on the first day of the thirteenth (13th) month following the Commencement Date and on the anniversary of such date thereafter (each, an "***Adjustment Date***") by three percent (3%) over the Base Rent for the immediately preceding twelve (12) month period."

2. Effect of Amendment. As amended by this First Amendment, the Lease shall continue in full force and effect and in accordance with all of its terms. In the event of any conflict between the terms and conditions of the Lease and this First Amendment, the terms and conditions of this First Amendment shall prevail.

3. Governing Law. This First Amendment shall be construed in accordance with and governed by the laws of the State of California.

4. Partial Invalidity. If any one or more of the provisions contained in this First Amendment shall be invalid, illegal or unenforceable in any respect, the remaining provisions contained herein shall not be affected in any way thereby.

5. Counterparts. This First Amendment may be executed in any number of counterparts, each of which shall be an original, but all of which, when taken together, shall constitute one and the same instrument. This First Amendment may be executed and delivered by the exchange of facsimile, .pdf or other electronic image file copies of the executed counterpart signature pages, which shall be considered the equivalent of ink signature pages for all purposes.

[Signatures on following page]

IN WITNESS WHEREOF, the parties have executed this First Amendment to Lease as of the Effective Date.

LANDLORD:

THE BOARD OF TRUSTEES OF THE LELAND STANFORD JUNIOR UNIVERSITY, a body having corporate powers under the laws of the State of California

By: /s/Tiffany Griego
Tiffany Griego, Managing Director
Asset Management– Stanford Research Park

TENANT:

JAZZ PHARMACEUTICALS, INC., a Delaware corporation

By: /s/Karen Wilson
Name: Karen Wilson
Its: SVP, Finance

Exhibit 10.6

FIRST AMENDMENT TO LEASE

THIS FIRST AMENDMENT TO LEASE (this **"*First Amendment*"**) is made and entered into as of January 29, 2018 (the "***Effective Date***") by and between THE BOARD OF TRUSTEES OF THE LELAND STANFORD JUNIOR UNIVERSITY, a body having corporate powers under the laws of the State of California ("***Landlord***"), and JAZZ PHARMACEUTICALS, INC., a Delaware corporation ("***Tenant***"), in the following factual context:

A. Landlord and Tenant are parties to that certain Lease dated as of September 28, 2017 (the "***Lease***"), pursuant to which Landlord leased to Tenant the building located on that certain real property commonly known as 3181 Porter Drive, Palo Alto, California. Capitalized terms used in this First Amendment that are not otherwise defined herein shall have the meanings given such terms in the Lease.

B. Landlord and Tenant now desire to modify the Lease to clarify the process for Base Rent adjustments, as provided in this First Amendment.

NOW, THEREFORE, intending to be legally bound, the parties agree as follows:

1. Base Rent Adjustments. The last sentence of Section 6.1 is hereby deleted in its entirety and replaced with the following:

> "Base Rent shall be increased on the first day of the thirteenth (13th) month following the Commencement Date and on the anniversary of such date thereafter (each, an "***Adjustment Date***") by three percent (3%) over the Base Rent for the immediately preceding twelve (12) month period."

2. Effect of Amendment. As amended by this First Amendment, the Lease shall continue in full force and effect and in accordance with all of its terms. In the event of any conflict between the terms and conditions of the Lease and this First Amendment, the terms and conditions of this First Amendment shall prevail.

3. Governing Law. This First Amendment shall be construed in accordance with and governed by the laws of the State of California.

4. Partial Invalidity. If any one or more of the provisions contained in this First Amendment shall be invalid, illegal or unenforceable in any respect, the remaining provisions contained herein shall not be affected in any way thereby.

5. Counterparts. This First Amendment may be executed in any number of counterparts, each of which shall be an original, but all of which, when taken together, shall constitute one and the same instrument. This First Amendment may be executed and delivered by the exchange of facsimile, .pdf or other electronic image file copies of the executed counterpart signature pages, which shall be considered the equivalent of ink signature pages for all purposes.

[Signatures on following page]

IN WITNESS WHEREOF, the parties have executed this First Amendment to Lease as of the Effective Date.

LANDLORD:

THE BOARD OF TRUSTEES OF THE LELAND STANFORD JUNIOR UNIVERSITY, a body having corporate powers under the laws of the State of California

By: /s/Tiffany Griego
Tiffany Griego, Managing Director
Asset Management– Stanford Research Park

TENANT:

JAZZ PHARMACEUTICALS, INC.,
a Delaware corporation

By: /s/Karen Wilson
Name: Karen Wilson
Its: SVP, Finance

Exhibit 31.1

CERTIFICATION

I, Bruce C. Cozadd, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Jazz Pharmaceuticals public limited company;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 7, 2018

By: /s/ Bruce C. Cozadd

Bruce C. Cozadd
Chairman and Chief Executive Officer and Director

Exhibit 31.2

CERTIFICATION

I, Matthew P. Young, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Jazz Pharmaceuticals public limited company;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 7, 2018

By: /s/ Matthew P. Young

Matthew P. Young
Executive Vice President and Chief Financial Officer

Exhibit 32.1

CERTIFICATION[(1)]

Pursuant to the requirement set forth in Rule 13a-14(b) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and Section 1350 of Chapter 63 of Title 18 of the United States Code (18 U.S.C. Section 1350), Bruce C. Cozadd, Chief Executive Officer of Jazz Pharmaceuticals public limited company (the "Company"), and Matthew P. Young, Executive Vice President and Chief Financial Officer of the Company, each hereby certifies that, to the best of his knowledge:

1. The Company's Quarterly Report on Form 10-Q for the period ended June 30, 2018, to which this Certification is attached as Exhibit 32.1 (the "Periodic Report"), fully complies with the requirements of Section 13(a) or Section 15(d) of the Exchange Act; and

2. The information contained in the Periodic Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 7, 2018

/s/ Bruce C. Cozadd

Bruce C. Cozadd

Chairman and Chief Executive Officer and Director

/s/ Matthew P. Young

Matthew P. Young

Executive Vice President and Chief Financial Officer

(1) This certification accompanies the Quarterly Report on Form 10-Q to which it relates, is not deemed filed with the Securities and Exchange Commission and is not to be incorporated by reference into any filing of Jazz Pharmaceuticals public limited company under the Securities Act of 1933, as amended, or the Exchange Act (whether made before or after the date of the Form 10-Q), irrespective of any general incorporation language contained in such filing. A signed original of this written statement required by Section 906 of the Sarbanes-Oxley Act of 2002 has been provided to Jazz Pharmaceuticals public limited company and will be retained by Jazz Pharmaceuticals public limited company and furnished to the Securities and Exchange Commission or its staff upon request.