UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 8-K

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

Date of report (Date of earliest event reported): April 4, 2016

Mercury Systems, Inc.
(Exact Name of Registrant as Specified in Charter)

Massachusetts	000-23599	04-2741391
(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(IRS Employer Identification No.)

201 Riverneck Road, Chelmsford, Massachusetts 01824
(Address of Principal Executive Offices) (Zip Code)

Registrant's telephone number, including area code: (978) 256-1300

Not Applicable
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (*see* General Instruction A.2. below):

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 7.01 Regulation FD Disclosure

On April 4, 2016, Mercury Systems, Inc. (the "Company") issued a press release announcing that it intends to offer shares of the Company's common stock in an underwritten public offering. The press release is furnished as Exhibit 99.1 hereto.

The information provided in Item 7.01 of this Current Report on Form 8-K and in the attached Exhibit 99.1 shall not be deemed "filed" for purposes of Section 18 of the Exchange Act of 1934, as amended or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933 or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

Item 8.01 Other Events

As previously reported, on March 23, 2016, the Company and Microsemi Corporation ("Microsemi") entered into a Stock Purchase Agreement (the "Purchase Agreement"), pursuant to which, subject to the satisfaction or waiver of certain conditions, Microsemi has agreed to sell all the membership interests in Microsemi LLC - RF Integrated Solutions ("RF LLC") to Mercury (the "Acquisition") for $300 million in cash on a cash-free, debt-free basis, subject to a working capital adjustment. RF LLC, directly and through subsidiaries, operates embedded security, RF and microwave, and custom microelectronics businesses of Microsemi (the "Carve-Out Business"). The Company is providing, through the filing of this Current Report on Form 8-K, certain historical financial information regarding RF LLC and the Carve-Out Business and certain pro forma condensed consolidated financial information regarding the Company, giving pro forma effect to the Acquisition and certain related transactions. The pro forma condensed consolidated financial information gives effect to the Company's proposed acquisition of the Carve-Out Business pursuant to the previously announced Purchase Agreement. The Company is also providing two disclosure documents relating to the Carve-Out Business — a "Description of the Carve-Out Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations of the Carve-Out Business". The Company is also filing the Stock Purchase Agreement and Debt Commitment Letter referred to in the Company's current Report on Form 8-K dated March 23, 2016 and an amendment to the Debt Commitment Letter. The Company's proposed acquisition of the Carve-Out Business has not been consummated and remains subject to certain customary closing conditions.

Exhibits 10.1, 10.2, 10.3, 23.1, 99.2, 99.3, 99.4, 99.5 and 99.6 listed under Item 9.01 below of this Current Report on Form 8-K are deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, except as shall be expressly set forth by specific reference in such a filing.

Forward-Looking Statements. This Current Report on Form 8-K and the exhibits filed herewith contain certain forward-looking statements, as that term is defined in the Private Securities Litigation Reform Act of 1995, including those relating to the transactions described herein. You can identify these statements by the use of the words "may," "will," "could," "should," "would," "plans," "expects," "anticipates," "continue," "estimate," "project," "intend," "likely," "forecast," "probable," "potential," and similar expressions. These forward looking statements include statements regarding the Acquisition and the expected financial and operational benefits from the Acquisition. These forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from those projected or anticipated. Such risks and uncertainties include, but are not limited to, continued funding of defense programs, the timing and amounts of such funding, general economic and business conditions, including unforeseen weakness in the Company's markets, effects of continued geopolitical unrest and regional conflicts, competition, changes

in technology and methods of marketing, delays in completing engineering and manufacturing programs, changes in customer order patterns, changes in product mix, continued success in technological advances and delivering technological innovations, changes in, or in the U.S. Government's interpretation of, federal export control or procurement rules and regulations, market acceptance of the Company's products, shortages in components, production delays or unanticipated expenses due to performance quality issues with outsourced components, inability to fully realize the expected benefits from the Acquisition or other acquisitions and restructurings, or delays in realizing such benefits, challenges in integrating acquired businesses and achieving anticipated synergies, changes to export regulations, increases in tax rates, changes to generally accepted accounting principles, difficulties in retaining key employees and customers, unanticipated costs under fixed-price service and system integration engagements, and various other factors beyond our control. These risks and uncertainties also include such additional risk factors as are discussed in the Company's filings with the U.S. Securities and Exchange Commission, including its Annual Report on Form 10-K for the fiscal year ended June 30, 2015. The Company cautions readers not to place undue reliance upon any such forward-looking statements, which speak only as of the date made. The Company undertakes no obligation to update any forward-looking statement to reflect events or circumstances after the date on which such statement is made.

The Company's last guidance was provided on January 26, 2016. The Company is not commenting on, updating or confirming this guidance in connection with the offering referred to in Item 7.01 above and Exhibit 99.1.

Purchase Agreement. With respect to the Purchase Agreement filed as Exhibit 10.1, the representations and warranties contained in the Purchase Agreement are not intended to be a source of business or operational information about Mercury or the Carve-Out Business as such representations and warranties are made as of a specified date, are tools used to allocate risk between the parties, are subject to contractual standards of knowledge and materiality and are modified or qualified by information contained in our public filings and in the disclosure schedules exchanged by the parties.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

Exhibit No.	Description
10.1	Stock Purchase Agreement by and between Mercury Systems, Inc. and Microsemi Corporation, dated as of March 23, 2016.
10.2	Debt Commitment Letter by and among Mercury Systems, Inc. and Bank of America, N.A., Citibank, N.A., KeyBank National Association, and SunTrust Bank as joint lead arrangers and as joint bookrunners, dated as of March 23, 2016.
10.3	Amendment to Debt Commitment Letter by and among Mercury Systems, Inc. and Bank of America, N.A., Citibank, N.A., KeyBank National Association, and SunTrust Bank, dated as of March 31, 2016.
23.1	Consent of PricewaterhouseCoopers LLP, independent accountants for the Carve-Out Business.
99.1	Press Release, dated April 4, 2016, of Mercury Systems, Inc.
99.2	Carve-Out Business audited consolidated balance sheets as of September 27, 2015 and September 28, 2014, and the related consolidated statements of operations and comprehensive income, consolidated statements of changes of invested equity and consolidated statements of cash flows for the years ended September 27, 2015, September 28, 2014 and September 29, 2013.

Exhibit No.	Description
99.3	Carve-Out Business unaudited condensed consolidated balance sheets as of January 3, 2016 and December 28, 2014 and the related unaudited condensed consolidated statements of operations and comprehensive income and condensed consolidated statements of cash flows for three months ended January 3, 2016 and December 28, 2014.
99.4	Mercury Systems, Inc. unaudited pro forma condensed consolidated balance sheet as of December 31, 2015, the unaudited pro forma condensed consolidated statements of operations for the six months ended December 31, 2015 and the unaudited pro forma condensed consolidated statement of operations for the year ended June 30, 2015.
99.5	Document titled "Description of the Carve-Out Business."
99.6	Document titled "Management's Discussion and Analysis of Financial Condition and Results of Operations of the Carve-Out Business."

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.

Dated: April 4, 2016

MERCURY SYSTEMS, INC.

By: /s/ Gerald M. Haines II
Gerald M. Haines II
Executive Vice President, Chief Financial Officer and Treasurer

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99.3	Carve-Out Business unaudited interim consolidated balance sheets as of January 3, 2016 and December 28, 2014 and the related unaudited consolidated statements of operations and comprehensive income and consolidated statements of cash flows for three months ended January 3, 2016 and December 28, 2014.
99.4	Mercury Systems, Inc. unaudited pro forma condensed consolidated balance sheet as of December 31, 2015, the unaudited pro forma condensed consolidated statements of operations for the six months ended December 31, 2015 and the unaudited pro forma condensed consolidated statement of operations for the year ended June 30, 2015.
99.5	Document titled "Description of the Carve-Out Business."
99.6	Document titled "Management's Discussion and Analysis of Financial Condition and Results of Operations of the Carve-Out Business."

Exhibit 10.1

STOCK PURCHASE AGREEMENT

between

MICROSEMI CORPORATION

and

MERCURY SYSTEMS, INC.

DATED AS OF MARCH 23, 2016

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STOCK PURCHASE AGREEMENT

This STOCK PURCHASE AGREEMENT, dated as of March 23, 2016 (this "Agreement"), is entered into by and between MICROSEMI CORPORATION, a Delaware corporation ("Seller"), and MERCURY SYSTEMS, INC., a Massachusetts corporation ("Buyer"). All capitalized terms used in this Agreement shall have the respective meanings assigned to such terms in Article XIV.

WHEREAS, Buyer, or its designated subsidiary, desires to purchase from Seller, and Seller desires to sell to Buyer, or its designated subsidiary, the entire issued and outstanding membership interest (the "Interest") in Microsemi LLC - RF Integrated Solutions, a Delaware limited liability company and wholly owned subsidiary of Seller (the "Company"), on the terms and subject to the conditions set forth in this Agreement and the Other Transaction Documents.

NOW, THEREFORE, in consideration of the premises and the mutual promises herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

ARTICLE I

Purchase and Sale of the Interest

Section 1.01 Purchase and Sale of the Interest. At the Closing, on the terms and subject to the conditions of this Agreement, Seller will sell, transfer and deliver to Buyer, or its designated subsidiary, and Buyer, or its designated subsidiary, will purchase from Seller all of Seller's rights, title and interest in and to the Interest, free and clear of all Liens.

Section 1.02 Closing. Subject to the terms and conditions of this Agreement, the sale and purchase contemplated by this Agreement shall take place at a closing (the "Closing") to be held at 10:00 a.m., New York City time, on the third (3rd) Business Day after the satisfaction or waiver of the conditions set forth in Article III (excluding conditions that, by their terms, are to be satisfied at the Closing, but subject to the satisfaction or waiver of such conditions), at the offices of O'Melveny & Myers LLP at 2765 Sand Hill Road, Menlo Park, CA 94025, or at such other time or on such other date or at such other place as Seller and Buyer may mutually agree upon in writing; provided that notwithstanding the satisfaction or waiver of the conditions set forth in Article III (other than those conditions that by their nature are to be satisfied at the Closing, but subject to the satisfaction or waiver of such conditions at such time), if the Marketing Period has not ended at such time, then Buyer shall not be required to effect the Closing until the earliest of (subject to the continued satisfaction or waiver of the conditions set forth in Article III at such time) (i) any Business Day during the Marketing Period as may be specified by Buyer on no less than two (2) Business Days' prior written notice to Seller, (ii) the third (3rd) Business Day after the final day of the Marketing Period or (iii) at such other place, date and time as the parties shall mutually agree in writing. The day on which the Closing takes place is referred to herein as the "Closing Date" and the Closing shall be deemed effective as of 12:01 a.m., New York City time, on the Closing Date (the "Effective Time"). The parties may agree that the Closing shall take place via the exchange of facsimile or scanned final instruments and executed signature pages.

ARTICLE II

Purchase Price

Section 2.01 Purchase Price. The aggregate amount of consideration to be paid by Buyer to Seller or its designee(s) for the sale of the Interest (the "Purchase Price"), subject to the terms of this Agreement, shall consist of an amount in cash equal to the sum of (a) $300,000,000 (the "Base Purchase Price"), minus (b) the Final Closing Debt Amount, *minus* (c) the Final Negative Working Capital Adjustment (if any), plus (d) the Final Positive Working Capital Adjustment (if any), and plus (e) the Final Closing Cash.

Section 2.02 Payments at Closing. At the Closing, Buyer shall pay to Seller or Seller's designee(s), by wire transfer of immediately available funds to a bank account designated by Seller in writing to Buyer at least two (2) Business Days before the Closing Date, the sum of the following (the "Closing Payment"): (a) the Base Purchase Price *minus* (b) the Estimated Closing Debt Amount, *minus* (c) the Estimated Negative Working Capital Adjustment (if any), *plus* (d) the Estimated Positive Working Capital Adjustment (if any), and *plus* (e) the Estimated Closing Cash.

Section 2.03 Estimated Closing Statement. No fewer than three (3) Business Days before the Closing Date, Seller shall prepare and deliver to Buyer the Estimated Closing Statement. Seller shall provide, or cause to be provided, Buyer and its Representatives reasonable access to the work papers and other books and records of Seller, the Company and the Company Subsidiaries used in, or relevant to, the preparation of the Estimated Closing Statement for purposes of assisting Buyer and its Representatives in their review of the Estimated Closing Statement and Seller shall promptly, and in any event within a reasonable time frame, make available the individuals in its and its Affiliates' or Representatives' employ as well as Representatives of its independent accountants responsible for and knowledgeable about the information used in, or relevant to, the preparation of the Estimated Closing Statement to respond to the reasonable inquiries of, or requests for information by, Buyer and its Representatives. Prior to the Closing, Seller shall cooperate in good faith to answer any questions raised by Buyer and its Representatives in connection with their review of the Estimated Closing Statement.

Section 2.04 Proposed Closing Statement and Final Closing Statement.

(a) Within sixty (60) days after the Closing Date (the "Preparation Period"), Buyer shall provide to Seller the Proposed Closing Statement. If Buyer fails to timely deliver the Proposed Closing Statement, the Estimated Closing Statement shall become conclusive and binding upon the parties as the Final Closing Statement. During the Preparation Period, Seller shall (and shall cause its Affiliates and Representatives to) provide Buyer and its Representatives with full access to all books and records of Seller and its Affiliates used in preparation of the Estimated Closing Statement, and Seller shall promptly, and in any event within such time frame as reasonably required by Buyer, make available the individuals in its and its Affiliates' or Representatives' employ who previously provided financial and/or accounting services to the Company or the Company Subsidiaries and who are knowledgeable about the information used in preparing the Estimated Closing Statement to respond to the reasonable inquiries of, or request

for information by, Buyer or its Representatives. The parties agree that the Preparation Period shall be extended on a day-for-day basis for any period in which Seller does not provide, or cause to be provided, the access and/or information required by the preceding sentence.

(b) Seller shall have sixty (60) days after Buyer's delivery of the Proposed Closing Statement (the "Review Period") to review the same. During the Review Period, Buyer shall (and shall cause its Affiliates and Representatives to) provide Seller and its Representatives with full access to Buyer's work papers and all books and records of Buyer and its Affiliates (including, after the Closing, the Company and the Company Subsidiaries) used in, or relevant to, the preparation of the Estimated Closing Statement or used in, or relevant to, the preparation of the Proposed Closing Statement, and Buyer shall promptly, and in any event within such time frame as reasonably required by Seller, make available the individuals in its and its Affiliates' or Representatives' employ as well as Representatives of its independent accountants responsible for and knowledgeable about the information used in, or relevant to, the preparation of the Proposed Closing Statement to respond to the reasonable inquiries of, or requests for information by, Seller or its Representatives. The parties agree that the Review Period shall be extended on a day-for-day basis for any period in which Buyer does not provide, or cause to be provided, the access and/or information required by the preceding sentence. Buyer agrees that, following the Closing through the date that the Final Closing Statement becomes conclusive and binding upon the parties in accordance with this Article II, it will not (and will cause its Affiliates not to) take any actions with respect to any books, records, policies or procedures on which the Proposed Closing Statement is based, or on which the Final Closing Statement is to be based, that would impede or delay the determination of the Final Closing Debt Amount, Final Working Capital, Final Closing Cash or the preparation of the Dispute Notice or the Final Closing Statement in the manner and utilizing the methods required by this Agreement.

(c) If Seller disputes any item set forth in the Proposed Closing Statement, Seller shall, during the Review Period, deliver written notice to Buyer of the same, specifying in reasonable detail the basis for such dispute and Seller's proposed modifications to the Proposed Closing Statement (such notice, the "Dispute Notice"). During the thirty (30)-day period immediately following Seller's delivery of a Dispute Notice (the "Resolution Period"), Buyer and Seller shall negotiate in good faith to reach an agreement as to any matters identified in such Dispute Notice as being in dispute, and, to the extent such matters are so resolved within the Resolution Period, then the Proposed Closing Statement, as revised to incorporate such changes as have been agreed between Buyer and Seller, shall be conclusive and binding upon the parties as the Final Closing Statement. If Seller fails to notify Buyer of any disputes within the Review Period relating to the Proposed Closing Statement, the Proposed Closing Statement shall be conclusive and binding upon the parties as the Final Closing Statement at the end of the Review Period.

(d) If Buyer and Seller fail to resolve all such matters in dispute within the Resolution Period, then (subject to the last sentence of Section 2.04(e)) any matters identified in such Dispute Notice that remain in dispute following the expiration of the Resolution Period shall be finally and conclusively determined by Deloitte LLP, or if Deloitte LLP is unable or unwilling to serve in such capacity, Ernst & Young LLP (and if both Deloitte LLP and Ernst & Young LLP are unable or unwilling to serve in such capacity, such other globally recognized accounting firm as shall be agreed upon in writing by Seller and Buyer) (the "Independent Accounting Firm").

(e) Seller and Buyer shall instruct the Independent Accounting Firm to promptly, but no later than thirty (30) days after its acceptance of its appointment, determine (it being understood that in making such determination, the Independent Accounting Firm shall be functioning as an expert and not as an arbitrator), based solely on written presentations of Buyer and Seller submitted to the Independent Accounting Firm and not by independent review, only those matters in dispute and render a written report setting forth its determination as to the disputed matters and the resulting calculations of Final Closing Debt Amount, Final Closing Cash, Final Working Capital, the Final Positive Adjustment (if any) and the Final Negative Adjustment (if any), which report and calculations will be conclusive and binding upon the parties absent manifest mathematical error. A copy of all materials submitted to the Independent Accounting Firm pursuant to the immediately preceding sentence shall be provided by Seller or Buyer, as applicable, to the other party concurrently with the submission thereof to the Independent Accounting Firm. In resolving any disputed item, the Independent Accounting Firm (i) shall be bound by the provisions of this Section 2.04(e) and Section 2.06 and (ii) may not assign a value to any item greater than the greatest value for such item claimed by Buyer or Seller, or less than the smallest value for such item claimed by Buyer or Seller. If, before the Independent Accounting Firm renders its determination with respect to the disputed items in accordance with this Section 2.04(e), (x) Seller notifies Buyer of its agreement with any items in the Proposed Closing Statement or (y) Buyer notifies Seller of its agreement with any items in the Estimated Closing Statement or Dispute Notice, then in each case such items as so agreed will be conclusive and binding on the parties immediately upon such notice.

(f) The fees and expenses of the Independent Accounting Firm shall be borne by Buyer and Seller in inverse proportion as they may prevail on matters resolved by the Independent Accounting Firm or, if the positions of each party with respect to Final Positive Adjustment or Final Negative Adjustment, as applicable, are equidistant from the Final Positive Adjustment or Final Negative Adjustment, as applicable, as determined by the Independent Accounting Firm pursuant to Section 2.04(e), then the fees and expenses of the Independent Accounting Firm shall be borne equally by the parties.

Section 2.05 Purchase Price Adjustment. If there is a Final Positive Adjustment, then Buyer shall pay an amount equal to the Final Positive Adjustment to Seller. If there is a Final Negative Adjustment, then Seller shall repay an amount equal to Final Negative Adjustment to Buyer. Any payment due under this Section 2.05 shall be paid by wire transfer of immediately available funds to the account specified in writing by Seller or Buyer, as applicable, within ten (10) days after the date on which the Final Closing Statement becomes conclusive and binding on the parties in accordance with the provisions of Section 2.04.

Section 2.06 Certain Calculation Principles. Each Closing Statement shall be (a) in a format substantially similar to, and prepared and determined in accordance with, the Sample Closing Statement; and (b) consistent with the provisions of this Agreement relating to the parties’ respective rights and obligations for the payment or reimbursement of costs and expenses.

ARTICLE III

Conditions to Closing

Section 3.01 Buyer's Obligation. The obligation of Buyer to consummate the Closing (the "Transactions") is subject to the satisfaction (or waiver by Buyer in its sole discretion) as of the Closing of each of the following conditions:

(a) Representations and Warranties; Covenants; Closing Certificate. The representations and warranties of Seller shall be true and correct (disregarding all materiality and Material Adverse Effect qualifications contained therein), as of the date of this Agreement and as of the time of the Closing as though made as of such time (except to the extent such representations and warranties expressly relate to an earlier date, in which case such representations and warranties shall be true and correct on and as of such earlier date), except where the failure to be so true and correct, individually or in the aggregate, has not had, and would not reasonably be expected to have, a Material Adverse Effect; provided that the Seller Fundamental Representations shall be true and correct in all respects as of the date of this Agreement and as of the time of the Closing as though made as of such time (except to the extent such representations and warranties expressly relate to an earlier date, in which case such representations and warranties shall be true and correct in all respects on and as of such earlier date), except for de minimis inaccuracies. Seller shall have performed or complied in all material respects with all obligations and covenants required by this Agreement to be performed or complied with by Seller by the time of the Closing. Seller shall have delivered to Buyer a certificate dated the Closing Date and signed by an authorized officer of Seller confirming the foregoing.

(b) No Legal Restrictions. No statute, rule, regulation, or Order enacted, entered, promulgated, enforced or issued by any Governmental Entity or other legal restraint or prohibition preventing the consummation of the purchase and sale of the Interest or the entering into or performance of the material terms of the TSAs or the License shall be in effect.

(c) HSR Act. The waiting period under the Hart Scott Rodino Antitrust Improvements Act of 1976 (the "HSR Act"), if applicable to the purchase and sale of the Interest, shall have expired or been terminated.

(d) Transaction Documents. Seller shall have executed and delivered or caused to be executed and delivered the TSAs, the License and the Mutual Release, and the Specified Agreement shall have not been terminated.

(e) No Material Adverse Effect. Since the date of this Agreement, except as set forth in the Seller Disclosure Schedule, there shall not have been a Material Adverse Effect or the occurrence of any change, effect, event, occurrence, state of facts or development, which would, individually or in the aggregate, be reasonably likely to have a Material Adverse Effect.

(f) Transfer of Assets. Seller shall have delivered to Buyer evidence, in form and substance reasonably satisfactory to Buyer, that each of the patents set forth on Schedule 3.01(f) (collectively, the "Transferred Assets") have been assigned or otherwise transferred to the Company or one of the Company Subsidiaries.

(g) Closing Deliveries. Seller shall have delivered (or caused to be delivered) to Buyer each of the following:

(i) a certificate, in form and substance reasonably satisfactory to Buyer, that complies with Treasury Regulations section 1.1445-2(b)(2);

(ii) a certificate of Seller, dated as of the Closing Date, signed by the Secretary of Seller, certifying as to (A) the names and incumbency of each of the officers of Seller executing this Agreement and (B) the organizational documents of each of the Company and the Significant Company Subsidiaries;

(iii) certificates of good standing with respect to the Company and each Significant Company Subsidiary issued by the relevant Governmental Entity of their respective jurisdictions of organization, each as of a recent date;

(iv) a customary release letter in form and substance reasonably satisfactory to Buyer providing for the release of the Company and the Company Subsidiaries from the Debt listed on Schedule 3.01(g)(iv);

(v) evidence in form and substance reasonably satisfactory to Buyer that all Liens in respect of the Debt listed on Schedule 3.01(g)(iv) have been released or will be released at Closing; and

(vi) stock certificate(s) or equivalent representing the equity interests of the Company and the Company Subsidiaries, to the extent certificated.

Section 3.02 Seller's Obligation. The obligation of Seller to consummate the Closing is subject to the satisfaction (or waiver by Seller in its sole discretion) as of the Closing of each of the following conditions:

(a) Representations and Warranties; Covenants; Closing Certificate. The representations and warranties of Buyer shall be true and correct (disregarding all materiality and Material Adverse Effect qualifications contained therein), as of the date of this Agreement and as of the time of the Closing as though made as of such time (except to the extent such representations and warranties expressly relate to an earlier date, in which case such representations and warranties shall be true and correct in all material respects on and as of such earlier date), except where the failure to be so true and correct, individually or in the aggregate, has not had, and would not reasonably be expected to have, a material adverse effect on, or materially delay, Buyer's ability to consummate the purchase and sale of the Interest and the other transactions contemplated by this Agreement and the Other Transaction Documents on the terms and conditions set forth herein and therein; provided that the Buyer Fundamental Representations shall be true and correct in all respects as of the date of this Agreement and as of the time of the Closing as though made as of such time (except to the extent such representations

and warranties expressly relate to an earlier date, in which case such representations and warranties shall be true and correct in all respects on and as of such earlier date), except for de minimis inaccuracies. Buyer shall have performed or complied in all material respects with all obligations and covenants required by this Agreement to be performed or complied with by Buyer by the time of the Closing. Buyer shall have delivered to Seller a certificate dated the Closing Date and signed by an authorized officer of Buyer confirming the foregoing.

(b) No Legal Restrictions. No statute, rule, regulation or Order enacted, entered, promulgated, enforced or issued by any Governmental Entity or other legal restraint or prohibition preventing the purchase and sale of the Interest, the entering into or performance of the material terms of TSAs or the License shall be in effect.

(c) HSR Act. The waiting period under the HSR Act, if applicable to the purchase and sale of the Interest, shall have expired or been terminated.

(d) Transaction Documents. Buyer shall have executed and delivered or caused to be executed and delivered the TSAs, the License and the Mutual Release, and the Specified Agreement shall have not been terminated.

Section 3.03 Frustration of Closing Conditions. Neither Buyer nor Seller may rely on the failure of any condition set forth in Section 3.01 or 3.02, respectively, to be satisfied if such failure was caused by such party's breach of the obligations under this Agreement.

ARTICLE IV

Representations and Warranties of Seller

Except as set forth in the Seller Disclosure Schedule delivered to Buyer concurrently with the execution and delivery of this Agreement (it being understood that any information set forth in one section or subsection of the Seller Disclosure Schedule shall be deemed to apply to and qualify the Section or subsection of this Agreement to which it corresponds and each other Section or subsection of this Agreement to the extent that it is reasonably apparent that such information is relevant to such other Section or subsection upon a reading of the disclosure) (the "Seller Disclosure Schedule"), Seller hereby represents and warrants to Buyer as follows:

Section 4.01 Authority. Seller is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware. Seller has all requisite corporate power and authority to enter into this Agreement and the Other Transaction Documents, and to perform its obligations hereunder and thereunder. Seller has all requisite corporate power to consummate the Transactions. All corporate acts and other proceedings required to be taken by Seller to authorize the execution, delivery and performance of the Transaction Documents and the consummation of the Transactions have been duly and properly taken. This Agreement has been duly executed and delivered by Seller and constitutes, and the Other Transaction Documents on the Closing Date will be duly executed and delivered by Seller and will constitute, a legal, valid and binding obligation of Seller, enforceable against Seller in accordance with its terms, subject to applicable bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and other laws affecting creditors' rights generally from time to time in effect and to general principles of equity, regardless of whether such enforceability is considered in a proceeding in equity or at law (the "Bankruptcy and Equity Exception").

Section 4.02 No Conflicts; Consents; Compliance with Laws.

(a) The execution and delivery of this Agreement by Seller does not, and the execution and delivery of the Other Transaction Documents by Seller will not, and the consummation of the Transactions and compliance with the terms hereof and thereof will not, conflict with, or result in any violation of or default (with or without notice or lapse of time, or both) under, or give rise to a right of termination, cancellation or acceleration of any obligation or to loss of a material benefit under, or result in the creation of any liens, claims, encumbrances, security interests, options, charges or restrictions of any kind ("Liens") upon any of the properties or Assets of the Company or the Company Subsidiaries under, any provision of (i) the Certificate of Incorporation or Bylaws (or the comparable governing instruments) of Seller, the Company or any of the Company Subsidiaries, (ii) any Order, or, subject to the matters referred to in clauses (i), (ii) and (iii) of paragraph (b) below, any material statute, law, ordinance, rule or regulation applicable to Seller or the Company or their respective properties or Assets or (iii) conflict with, result in any breach of, constitute a default (or an event that, with notice or lapse of time or both, would become a default) under, or require any consent, of any person pursuant to, any Contract or any contract to which Seller, the Company or any Company Subsidiary, is a party, and that is material to Seller or the Company, as applicable. The sale of the Interest is permitted under the terms of the Credit Agreement and the Indenture, subject to delivery of the documents described in Section 4.02(a) of the Seller Disclosure Schedule.

(b) No consent, approval, license, permit, order or authorization of, or registration, declaration or filing with, any Governmental Entity is required to be obtained or made by or with respect to Seller, the Company or any of the Company Subsidiaries in connection with the execution, delivery and performance of this Agreement or the Other Transaction Documents or the consummation of the Transactions other than (i) compliance with and filings under the HSR Act, (ii) those that may be required solely by reason of Buyer's (as opposed to any other third party's) participation in the Transactions or (iii) such consents, approvals, permits, orders, authorizations, registrations, declarations and filings, the absence of which or the failure to make which, individually or in the aggregate, would not be reasonably likely to materially impact Seller's ability to perform its obligations under this Agreement and the Other Transaction Documents or impact the business or financial performance of the Company and the Company Subsidiaries.

Section 4.03 The Interest. Seller has good and valid title to the Interest, free and clear of any Liens. Assuming Buyer (or its designee) has the requisite power and authority to be the lawful owner of the Interest, at the Closing, Seller shall transfer, and Buyer (or its designee) shall acquire, good and valid title to the Interest, free and clear of any Liens, other than Liens created by Buyer or any of its Affiliates. Other than this Agreement, the Interest is not subject to any voting trust agreement or other contract, agreement or commitment, including any such contract, agreement or commitment restricting or otherwise relating to the voting, dividend rights or disposition of the Interest.

Section 4.04 Organization and Standing; Books and Records.

(a) The Company is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Delaware. The Company has full organizational power and authority and possesses all material Permits and approvals necessary to enable it to own, lease or otherwise hold its properties and Assets and to carry on its business as presently conducted. The Company is duly qualified and in good standing to do business as a foreign corporation in each jurisdiction in which the conduct or nature of its business or the ownership, leasing or holding of its properties and Assets makes such qualification necessary, except such jurisdictions where the failure to be so qualified or in good standing, individually or in the aggregate, would not be reasonably likely to have a material adverse impact on the business or financial performance of the Company and the Company Subsidiaries.

(b) Seller has, prior to the execution of this Agreement, made available to Buyer true and complete copies of the Certificate of Formation and Operating Agreement, each as amended to the date hereof, of the Company.

Section 4.05 Interest of the Company. The authorized equity of the Company consists of the Interest, which is duly authorized and validly issued and outstanding, fully paid and nonassessable. Seller is the record and beneficial owner of the Interest, free and clear of any Liens. Except for the Interest, there are no membership interests or other equity securities of the Company outstanding. The Interest has not been issued in violation of, and are not subject to, any preemptive, subscription or similar rights under any provision of Applicable Law, the Certificate of Formation or Operating Agreement of the Company, any contract, agreement or instrument to which the Company, is subject, bound or a party or otherwise. There are no outstanding warrants, options, rights, “phantom” stock rights, agreements, convertible or exchangeable securities or other commitments (other than this Agreement) (a) pursuant to which Seller or the Company is or may become obligated to issue, sell, purchase, return or redeem any securities of the Company or (b) that give any person the right to receive any benefits or rights similar to any rights enjoyed by or accruing to the holders of securities of the Company, or the rights to receive any payment in respect thereof. There are no outstanding bonds, debentures, notes or other indebtedness having the right to vote on any matters on which members of the Company may vote.

Section 4.06 Company Subsidiaries; Equity Interests.

(a) Section 4.06(a) of the Seller Disclosure Schedule sets forth all direct and indirect subsidiaries of the Company (each a “Company Subsidiary”), listing the Company Subsidiary’s name, type of entity, jurisdiction, authorized capital stock, membership interests or equivalent, the number and type of its issued and outstanding shares of capital stock, membership units or similar ownership interests, and the current ownership of such shares, membership units or similar ownership interests.

(b) Except for the Company Subsidiaries, there are no other corporations, limited liability companies, partnerships, joint ventures, associations or other entities or persons in which the Company or any Company Subsidiary owns, of record or beneficially, any direct or indirect equity or other interest or any right (contingent or otherwise) to acquire the same.

(c) Each Company Subsidiary is duly organized, validly existing and in good standing under the laws of its jurisdiction of incorporation. Each Company Subsidiary has full organizational power and authority and possesses all material Permits and approvals necessary to enable it to own, lease or otherwise hold its properties and Assets and to carry on its business as presently conducted. Each Company Subsidiary is duly qualified and in good standing to do business as a foreign corporation or other organization in each jurisdiction in which the conduct or nature of its business or the ownership, leasing or holding of its properties and Assets makes such qualification necessary, except such jurisdictions where the failure to be so qualified or in good standing, individually or in the aggregate, would not be reasonably likely to have a material adverse impact on the business or financial performance of the Company and the Company Subsidiaries. Seller has prior to the execution of this Agreement made available to Buyer true and complete copies of the organizational documents, each as amended to the date hereof, of each of the Significant Company Subsidiaries.

(d) All of the issued and outstanding equity securities of each Company Subsidiary have been duly authorized and validly issued, and are fully paid and nonassessable. The Company or one or more of the Company Subsidiaries is the record and beneficial owner of all of the outstanding equity securities of each Company Subsidiary free and clear of any Liens. The outstanding equity securities of each Company Subsidiary have not been issued in violation of, and are not subject to, any preemptive, subscription or similar rights under any provision of Applicable Law, the organizational documents of such Company Subsidiary, or any contract, agreement or instrument to which the Company or such Company Subsidiary is subject, bound or a party or otherwise. With respect to each Company Subsidiary, there are no outstanding warrants, options, rights, "phantom" stock rights, agreements, convertible or exchangeable securities or other commitments (i) pursuant to which Seller, the Company or any Company Subsidiary is or may become obligated to issue, sell, purchase, return or redeem any shares of capital stock or other securities of such Company Subsidiary or (ii) that give any person the right to receive any benefits or rights similar to any rights enjoyed by or accruing to the holders of shares of capital stock or other securities of such Company Subsidiary or the rights to receive any payment in respect thereof.

Section 4.07 Financial Statements; Undisclosed Liabilities.

(a) Section 4.07 of the Seller Disclosure Schedule sets forth (i) the unaudited consolidated balance sheet of the Company as of January 3, 2016 (the "Balance Sheet"), and the unaudited consolidated statement of profit and loss of the Company for the periods ended January 3, 2016and (ii) the audited consolidated balance sheet of the Company as of September 27, 2015, and September 28, 2014, and the audited consolidated statements of operations and comprehensive income and consolidated statements of cash flows of the Company for the fiscal years ended September 27, 2015, September 28, 2014 and September 29, 2013, together with the opinion of PricewaterhouseCoopers LLP, the Company's independent auditor, thereon (the financial statements described in clause (ii) above, together with the notes to such financial statements, collectively, the "Audited Financial Statements" and the financial statements described in clauses (i) and (ii) above, together with the notes to such financial statements, collectively, the "Financial Statements"). Except as set forth on Section 4.07 of the Seller Disclosure Schedule, the Financial Statements have been prepared from the books and records of the Company and in conformity with GAAP applied on a consistent basis throughout the periods

indicated and the accounting procedures and policies of Seller consistently applied (except in each case as described in the notes thereto). The Financial Statements present in all material respects the combined financial condition and results of operations of the Company and the Company Subsidiaries as of the respective dates thereof and for the respective periods indicated.

(b) Neither Seller nor, to Seller's knowledge, the Company or the Company Subsidiaries or any employee, auditor, accountant or representative of the Company or any of the Company Subsidiaries has received any written complaint, allegation, assertion or claim regarding the inadequacy of the Company's and the Company Subsidiaries' systems and processes that are designed to (i) provide reasonable assurances regarding the reliability of the Financial Statements and (ii) in a timely manner, accumulate and communicate to the Company's principal executive officers and principal financial officers the type of information that is required to be disclosed in the Financial Statements or the accuracy or integrity of the Financial Statements.

(c) Except for matters reflected or reserved against in the Financial Statements, neither the Company nor any of the Company Subsidiaries has any debts, liabilities, demands or obligations of any nature (whether absolute, accrued, contingent, fixed or otherwise) of any nature that would be required under GAAP, as in effect on the date of this Agreement, to be reflected on a consolidated balance sheet of the Company (including the notes thereto), except liabilities that (i) were incurred since the date of the Balance Sheet in the ordinary course of business or (ii) are incurred in connection with the transactions contemplated by this Agreement.

Section 4.08 Taxes.

(a) For purposes of this Agreement, (i) "Tax" or "Taxes" shall mean all federal, state, local and foreign taxes (including withholding taxes), duties, imposts and similar assessments imposed by a taxing authority, including but not limited to, income, capital, franchise, capital stock, excise, property, sales, use, service, service use, leasing, leasing use, license, goods and services, gross receipts, value added, single business, alternative or add-on minimum, occupation, real and personal property, stamp, ad valorem, workers' compensation, severance, profits, windfall profits, customs, duties, disability, registration, escheat, unclaimed property, estimated, environmental, transfer, payroll, wage or other withholding, employment, unemployment, social security (or similar) taxes, or any tax of any kind whatsoever, together with all interest, penalties and additions imposed with respect to such amounts; (ii) "Pre-Closing Tax Period" shall mean all taxable periods ending on or before the Closing Date and the portion ending on the Closing Date of any taxable period that includes (but does not end on) the Closing Date; (iii) "Post-Closing Tax Period" shall mean all taxable periods beginning after the Closing Date and the portion beginning the day after the Closing Date of any taxable period that includes (but does not end on) the Closing Date; (iv) "Code" shall mean the Internal Revenue Code of 1986, as amended; and (v) "Tax Returns" means all returns, reports, forms and statements required to be filed with a taxing authority with respect to Taxes including all amendments thereof.

(b) (i) All Tax Returns required to have been filed by the Company and each Company Subsidiary have been timely filed and all such Tax Returns are true, correct and complete in all material respects, (ii) all Taxes required to have been paid by the Company and

each Company Subsidiary (whether or not shown to be due on such Tax Returns) have been timely paid in full, and (iii) there are no liens for Taxes of or with respect to the Company or any Company Subsidiary, other than Permitted Liens.

(c) No Company has been a “United States real property holding corporation” within the meaning of Section 897 of the Code at any time within the past five (5) years.

(d) Neither the Company nor any of the Company Subsidiaries has waived any statute of limitations with respect of any Tax or agreed to any extension of time for the assessment or collection of any Tax.

(e) Neither the Company nor any of the Company Subsidiaries has received from any person any written notice of proposed adjustment, deficiency or underpayment of any material Taxes, and there is no dispute, audit, action, proceeding or claim now pending, or, to the knowledge of Seller, threatened, concerning any material Tax liability of the Company or Company Subsidiary. No claim has ever been made in writing by an authority in a jurisdiction where the Company or any Company Subsidiary does not file Tax Returns that the Company or any Company Subsidiary is or may be subject to Tax by that jurisdiction.

(f) The Company and each Company Subsidiary has timely withheld and timely paid, or caused to be timely withheld and timely paid, all Taxes required to have been withheld and paid in connection with any amounts paid or owing to any employee, independent contractor, creditor, shareholder or other person.

(g) Neither the Company nor any of the Company Subsidiaries has been the “distributing corporation” or the “controlled corporation” (in each case, within the meaning of Section 355(a)(1) of the Code) with respect to a transaction described in Section 355 of the Code.

(h) Neither the Company nor any of the Company Subsidiaries is a party to or bound by any Tax allocation agreement or Tax sharing agreement.

(i) Neither the Company nor any of the Company Subsidiaries has requested or received an extension of time within which to file any Tax Return that has not yet been filed. Neither the Company nor any of the Company Subsidiaries has any liability for Taxes of any person (i) under Treasury Regulations Section 1.1502-6 (or any comparable or similar provision of federal, state, local or foreign law), other than liability with respect to Taxes of the consolidated group of which the Company is currently a member, or (ii) as a transferee or successor, or by contract (other than a contract whose principal purpose does not relate to Taxes).

(j) The unpaid Taxes of or with respect to the Company and the Company Subsidiaries (i) did not, as of January 3, 2016, exceed the reserve for Taxes set forth on the Financial Statements as of such date, and (ii) do not exceed such reserve as adjusted for the passage of time through the Closing Date in accordance with the past custom and practice of the Company and the Company Subsidiaries in filing their Tax Returns. Since January 3, 2016, neither the Company nor any Company Subsidiary has incurred any liability for Taxes other than in the ordinary course of business.

(k) Neither the Company nor any of the Company Subsidiaries will be required to include any item of income in, or exclude any item of deduction from, taxable income for any taxable period (or portion thereof) ending after the Closing Date as a result of any:

(i) change in method of accounting for a taxable period ending on or prior to the Closing Date;

(ii) use of an improper method of accounting for a taxable period ending on or prior to the Closing Date;

(iii) "closing agreement" as described in Code Section 7121 (or any corresponding or similar provision of state, local or non-U.S. income Tax law) executed on or prior to the Closing Date;

(iv) intercompany transactions or any excess loss account described in Treasury Regulations under Code Section 1502 (or any corresponding or similar provision of state, local or non-U.S. income Tax law);

(v) installment sale or open transaction disposition made on or prior to the Closing Date;

(vi) prepaid amount received on or prior to the Closing Date; or

(vii) election under Code Section 108(i).

(l) Neither the Company nor any of the Company Subsidiaries has a permanent establishment (within the meaning of an applicable Tax treaty) or otherwise has an office or fixed place of business in a country other than the country in which it is organized.

(m) Neither the Company nor any of the Company Subsidiaries has taken any action on or before the Closing Date that is not in compliance with all terms and conditions of any Tax exemption, Tax holiday or other Tax reduction agreement, approval or order of any Tax authority, and the consummation of the transactions contemplated by this Agreement will not have any adverse effect on the validity and effectiveness of any such Tax exemption, Tax holiday or other Tax reduction agreement or order or otherwise result in the termination or recapture of any grant, Tax subsidy, Tax rate reduction, Tax credit or other Tax incentive, in each case, with respect to a Pre-Closing Tax Period.

(n) Neither the Company nor any of the Company Subsidiaries has been a party to any "listed transaction," as defined in Code Section 6707A(c)(1) and Treasury Regulations Section 1.6011-4(b).

(o) The Company is an entity that is disregarded as separate from its owner for U.S. federal income tax purposes.

(p) Based on Seller's anticipated valuation of the Company's assets and the stock of the Company Subsidiaries as of the date of this Agreement, Treasury Regulations Section 1.1502-36(d) will not apply to the Company or any Company Subsidiary as a result of the transactions contemplated by this Agreement.

(q) Notwithstanding any other provision of this Agreement, the Company is not making and shall not be construed to have made any representation or warranty as to the amount or availability of any net operating losses, capital losses, tax credits, tax basis, tax asset or other tax attribute with respect to a Post-Closing Tax Period.

Section 4.09 Assets Other than Real Property Interests.

(a) The Company and/or one or more of the Company Subsidiaries has, or as of the Closing Date will have, good and valid title to all material Assets reflected on the Balance Sheet or thereafter acquired, except those sold or otherwise disposed of since the date of the Balance Sheet in the ordinary course of business consistent with past practice and not in violation of this Agreement, in each case free and clear of all Liens, except (i) such as are set forth in Section 4.09(a) of the Seller Disclosure Schedule; (ii) mechanics', carriers', workmen's, repairmen's or other like liens arising or incurred in the ordinary course of business, liens arising under original purchase price conditional sales contracts and equipment leases with third parties entered into in the ordinary course of business and liens for Taxes which are not due and payable or which may thereafter be paid without penalty or interest or are being contested in good faith by appropriate proceedings; (iii) mortgages and Liens which secure debt that is reflected as a liability on the Balance Sheet and the existence of which is indicated in the notes thereto and which will be released at or prior to the Closing; and (iv) other imperfections of title or encumbrances, if any, which do not, individually or in the aggregate, materially impair the continued use and operation of the Assets to which they relate in the Business (the mortgages and Liens described in clauses (i), (ii), (iii) and (iv) above are hereinafter referred to collectively as "Permitted Liens").

(b) All facilities, machinery, equipment, fixtures, vehicles, and other tangible personal properties and tangible personal Assets owned, leased or used by the Company or any of the Company Subsidiaries (i) are adequate and sufficient for the conduct of the Business and (ii) are in good operating condition, subject to normal wear and tear, and reasonably fit and usable for the purposes for which they are being used, except, in each case, for defects which do not, individually or in the aggregate, materially impair the continued use and operation of the Assets or the conduct of the Business as presently conducted.

This Section 4.09 does not relate to real property or interests in real property, Intellectual Property Rights or Contracts, such items being the subjects of Sections 4.10, 4.11 and 4.12, respectively.

Section 4.10 Title to Real Property.

(a) Neither the Company nor any of the Company Subsidiaries owns any real property. Section 4.10(a) of the Seller Disclosure Schedule sets forth a complete list of all real property and interests in real property leased by the Company and the Company Subsidiaries (individually, a "Leased Property"). Section 4.10(a) of the Seller Disclosure Schedule sets forth a true and complete list of all leases, subleases, licenses, concessions and other agreements relating to the use or occupancy of real property (written or oral), as amended, to which the

Company or any of the Company Subsidiaries is a party ("Leases"). The Company and/or one or more of the Company Subsidiaries has good and valid title to the leasehold estates in all Leased Property (a Leased Property being sometimes referred to herein, individually, as a "Company Property"), in each case free and clear of all mortgages, Liens, leases, assignments, subleases, licenses, easements, covenants, rights of way and other similar restrictions of any nature whatsoever, except (i) such as are set forth in Section 4.10(a) of the Seller Disclosure Schedule; (ii) leases, subleases and similar agreements set forth in Section 4.11(a) of the Seller Disclosure Schedule; (iii) Permitted Liens; (iv) easements, covenants, rights of way and other similar restrictions of record which do not, individually or in the aggregate, materially impair the continued use and operation of the Assets to which they relate in the business of the Company and the Company Subsidiaries, as presently conducted; (v) any conditions that may be shown by a current, accurate survey or physical inspection of any Company Property made prior to the Closing and (vi) (a) zoning, building and other similar restrictions, (b) mortgages, Liens, easements, covenants, rights of way and other similar restrictions that have been placed by any developer, landlord or other third party on property over which the Company or any of the Company Subsidiaries has easement rights or on any Company Property and subordination or similar agreements relating thereto, and (c) unrecorded easements, covenants, rights of way and other similar restrictions, none of which items set forth in clauses (v) or (vi), individually or in the aggregate, materially impair the continued use and operation of the property to which they relate in the business of the Company and the Company Subsidiaries as presently conducted.

(b) Seller has not received written notice that any portion of the Leased Property is threatened to be condemned or otherwise taken by any public authority. No tenant under any of the Leases has entered into any subordination agreement in respect of a mortgage affecting the interest of the landlord in any Leased Property (except for those for which a non-disturbance agreement has been granted by the mortgagee in favor of such tenant).

Section 4.11 Intellectual Property.

(a) Section 4.11(a)(i) of the Seller Disclosure Schedule sets forth as of the date of this Agreement a complete and accurate list of all Company Registered Intellectual Property and specifies, (i) for each patent and patent application, the title, patent number or application serial number, jurisdiction, filing date, date issued (if applicable), owner of record, and present status thereof; (ii) for each registered trademark and trademark application, the trademark, application serial number or registration number, jurisdiction, filing date, registration date (if applicable), owner of record, and present status thereof; (iii) for each domain name, the registration date, any renewal date, owner of record, and name of the registrar; (iv) for each copyright registration and copyright application, the title of the work, number and date of such registration or application, owner of record, and jurisdiction; and (v) any material filing deadlines that must be met within ninety (90) days of the date hereof with respect to any of the foregoing for the purposes of obtaining, maintaining, perfecting, preserving or renewing any Company Registered Intellectual Property, including the payment of any registration, maintenance, or renewal fees or the filing of any responses to office actions, documents, applications, or certificates. Section 4.11(a)(ii) of the Seller Disclosure Schedule sets forth as of the date of this Agreement a complete and accurate list of (x) each material unregistered Trademark used in the business of the Company or a Company Subsidiary and (y) each Company Product that is Software. All registration, maintenance and renewal fees currently due in connection with each item of material Company

Registered Intellectual Property have been made and all necessary documents, recordations and certificates in connection with such Company Registered Intellectual Property have been filed with the appropriate Governmental Entity, except where such failure would not materially affect the rights of the Company or any Company Subsidiary in any such Company Registered Intellectual Property. None of the Company Registered Intellectual Property has been adjudged invalid or unenforceable by any court of competent jurisdiction, in whole or part, and all Company Registered Intellectual Property is subsisting, and to the knowledge of Seller is valid and, to the extent a registration has issued thereon, enforceable. As of the date hereof, no Action (including any opposition, interference, or re-examination) is pending or to Seller's knowledge, threatened, which challenges the legality, validity, enforceability, use, or ownership of such right or item, other than routine office actions of the U.S. Patent and Trademark Office, U.S. Copyright Office or foreign counterparts pertaining to Company Registered Intellectual Property.

(b) The Company and/or one or more of the Company Subsidiaries has good and marketable title and exclusive ownership of the material Owned Intellectual Property Rights, free and clear of any Liens, except for Permitted Liens or non-exclusive licenses with respect to Owned Intellectual Property Rights granted in the ordinary course of business. To the knowledge of Seller, as of the date hereof, there is no outstanding order, judgment or stipulation made against Seller restricts the use, transfer or licensing of the Owned Intellectual Property Rights by the Company or any Company Subsidiary except as would not materially affect the rights of the Company or any Company Subsidiary in such Owned Intellectual Property Rights. Seller has not received any written notice or claim challenging its ownership of any of the Owned Intellectual Property Rights (in whole or in part), nor to the knowledge of Seller is there a reasonable basis for any such claim.

(c) To Seller's knowledge, the operation of the business of the Company and the Company Subsidiaries as currently conducted does not infringe, violate or misappropriate the Intellectual Property Rights of any third party. Neither the Company nor any Company Subsidiary has received written notice from any third party, or to Seller's knowledge, oral charge, complaint, claim or demand, in each case in the past five (5) years, that the operation of the business of the Company or any Company Subsidiary, including the making, using, or selling of any Company Product infringes, violates or misappropriates the Intellectual Property Rights of any third party. To Seller's knowledge, no person is infringing, violating or misappropriating any material Owned Intellectual Property Rights in a manner that would have a material adverse impact on the business or financial performance of the Company and the Company Subsidiaries. Notwithstanding anything to the contrary in this Agreement, this Section 4.11(c) contains the only representations and warranties with respect to infringement or misappropriation of Intellectual Property Rights of any third party.

(d) All Owned Intellectual Property Rights are, and after the Closing date will be, fully transferable, alienable, and licensable by the Company or the Company Subsidiaries without restriction and without payment of any kind to any third party and without approval of any third party to the extent such Owned Intellectual Property Rights were transferable, alienable, and licensable by the Company or the Company Subsidiaries prior to the Closing Date. Neither the execution of this Agreement nor the consummation of any of the transactions contemplated hereby shall constitute a default under, give rise to cancellation rights under, terminate any Company's or Company Subsidiary's access to or rights to use or otherwise adversely affect any of the rights of the Company and the Company Subsidiaries under, any agreement required to be disclosed in Section 4.12(a)(iv)(y) of the Seller Disclosure Schedule.

(e) Except as set forth in Section 4.11 (e) of the Seller Disclosure Schedule, Seller, the Company and the Company Subsidiaries have taken commercially reasonable steps to protect the rights of the Company and the Company Subsidiaries in the confidential information and trade secrets of the Company and the Company Subsidiaries or any trade secrets or confidential information of third parties provided to the Company or any Company Subsidiary, and, without limiting the foregoing, the Company and the Company Subsidiaries have required each employee and consultant who has contributed to the creation or development of any material Owned Intellectual Property Rights (including in any Company Software) or with access to any trade secrets or confidential information included in the Owned Intellectual Property Rights to execute a proprietary information, confidentiality, and assignment agreement on the applicable Company's or the applicable Company Subsidiary's standard form, a true and complete copy of which has been provided to Buyer. Except as disclosed in Section 4.11(e) of the Seller Disclosure Schedule, all such employees and consultants of the Company or the Company Subsidiaries have executed such forms and Seller has provided Buyer with true and complete copies of all such executed forms. To the knowledge of Seller, there has been no breach or other violation of such executed forms by any current or former employee or consultant.

(f) No government funding, facilities, or resources of a university, college, other educational institution, multi-national or international organization, or research center was used in the development of any Owned Intellectual Property Rights. Except as set forth in Section 4.11(f) of the Seller Disclosure Schedule, to the knowledge of Seller, no current or former employee of the Company or Company Subsidiary who contributed to the creation or development of any material Owned Intellectual Property Rights has performed services for the government, a university, college or other educational institution, or a research center, during a period of time during which the employee was also performing services for the Company or a Company Subsidiary.

(g) The computer, information technology, and data processing systems, facilities, and services used by the Company and the Company Subsidiaries (the "Systems") are reasonably sufficient for the existing needs of the Company and the Company Subsidiaries. To the knowledge of Seller, no person has gained unauthorized access to any of the Systems that would compromise to any material degree the value or confidentiality of such Systems or that would necessitate that the Company or any Company Subsidiary notify a third person of such unauthorized access. Except as set forth in Section 4.11(g) of the Seller Disclosure Schedule, the Company and the Company Subsidiaries have implemented all critical security patches provided by third party licensors for the Systems. The Company and the Company Subsidiaries have disaster recovery plans and procedures for the Business. The Company maintains policies and procedures regarding data security and privacy that are commercially reasonable and in material compliance with Applicable Law. To the knowledge of Seller, there has been no material security breach relating to, violation of any security policy regarding, or unauthorized access or unauthorized use of, the Systems.

(h) The Company and the Company Subsidiaries maintain backup copies of the Company Software in accordance with standard industry practice. The Company and the

Company Subsidiaries are in compliance with all Open Source Licenses with respect to Open Source Software forming any portion of the Company Products. Except as set forth on Section 4.11(h) of the Seller Disclosure Schedule, no person other than the Company and the Company Subsidiaries, and any of their respective employees who contributed to the development of any Company Software and any of their respective contractors who contributed to the development of the Company Software, has or had a copy of, or has or had the right to access now or at some time in the future, any source code for Company Software. No portion of the Company Products authored by the Company or the Company Subsidiaries contains, and, to the Seller's knowledge, no other portion of the Company Products contains, any disabling device, virus, worm, back door, Trojan horse, or other disruptive or malicious code that is intended to or would impair the intended performance of such products or otherwise permit unauthorized access to, delete, or damage any computer system, software, network, or data into any products of the Company or the Company Subsidiaries or the Systems.

(i) As of the Closing, Seller will have assigned to the Company (i) any Intellectual Property Rights that Seller may have caused the Company or any Company Subsidiaries to assign to Seller or any of its subsidiaries at any time prior to the Closing to the extent relating to the business of the Company or any Company Subsidiaries and (ii) any Intellectual Property Rights that Seller may have received under "Assignment of Inventions and Copyrights and Confidential Information Agreements" with employees of the Company or any Company Subsidiaries at any time prior to the Closing.

Section 4.12 Contracts.

(a) Except as set forth in Section 4.12(a) of the Seller Disclosure Schedule (and excluding the Company Benefit Plans and purchase orders in the ordinary course of business other than individual purchase orders over $250,000 with respect to the Company's 2015 fiscal year for (I) the customers and distributors listed on Section 4.12(a)(I) of the Seller Disclosure Schedule and (II) the five largest capex investments for each of the Company, Microsemi Corp. – Memory & Storage Solutions and Microsemi Corp. – Security Solutions) as of the date hereof, neither the Company nor any of the Company Subsidiaries is a party to any:

(i) agreement or contract that contains a legal obligation of the Company or any Company Subsidiary to purchase goods, products or services from a supplier of the Business that resulted in purchases in an aggregate amount that exceeded $750,000 in the 2015 fiscal year with respect to the Business;

(ii) covenant limiting the ability of the Company or any Company Subsidiary in any material respects to (A) acquire any property (whether tangible or intangible), (B) granting any person exclusive rights to sell, manufacture or otherwise distribute any of the Company's, the Company Subsidiaries' or any of their respective controlled Affiliates' technology or products, or (C) engage in any line of business or in any geographic territory or to compete with any person or grants any person exclusivity with respect to any geographic territory, any customer, or any product or service, other than pursuant to any radius restriction contained in any lease, reciprocal easements or development, construction, operating or similar agreement;

(iii) agreement, contract or other arrangement with (A) Seller or any Affiliate of Seller (other than the Company or any Company Subsidiary) other than any agreements, contracts or arrangements that are not material and either have no unperformed obligations or will be terminated prior to the Closing or (B) any officer, director or employee of the Company or any Company Subsidiary(excluding form confidentiality and invention assignment agreements, and offer letters or employment agreements that do not require, upon termination of employment, any advance notice, severance payments or severance benefits);

(iv) other than for (A) "shrink wrap" and other commercially available software licensed on standard terms, including any Open Source Software, (B) non-disclosure agreements that provide no more than limited use rights of trade secrets or confidential information, (C) non-exclusive licenses or sublicenses granted by the Company or any Company Subsidiary in the ordinary course of business, (D) Incidental Outbound Licenses or Incidental Inbound Licenses, or (E) agreements with current and former employees and consultants that do not materially differ in substance from the Company's or a Company Subsidiary's form of proprietary information, confidentiality, and assignment agreement for employees or consultants (as applicable), any material contracts, licenses, options or agreements (x) with respect to Owned Intellectual Property Rights licensed or transferred to any third party or (y) pursuant to which a third party has licensed or transferred any Intellectual Property Rights to the Company or any Company Subsidiary;

(v) (A) agreement, contract or other instrument under which the Company or any Company Subsidiary has borrowed any money from, or issued any note, bond, debenture or other evidence of indebtedness to, any person or any other note, bond, debenture or other evidence of indebtedness issued by the Company or a Company Subsidiary to any person, (B) letter of credit and similar facilities as an account party, (C) capital or direct financing lease that are required by GAAP to be treated as a long-term liability, (D) earn-out obligation or other obligation for the deferred purchase price of property or services, (E) currency forward contracts, interest rate protection agreements, swap agreements, collar agreements and similar hedging instruments, or (F) any guaranty of any of the foregoing;

(vi) agreement, contract or other instrument (including so called take or pay or keepwell agreements) under which (A) any person has directly or indirectly guaranteed indebtedness, liabilities or obligations of the Company or any Company Subsidiary or (B) the Company or any Company Subsidiary has directly or indirectly guaranteed indebtedness, liabilities or obligations of any person (in each case other than endorsements for the purpose of collection in the ordinary course of business);

(vii) agreement, contract or other instrument under which the Company or any Company Subsidiary has, directly or indirectly, made any advance, loan, extension of credit or capital contribution to, or other investment in, any person;

(viii) mortgage, pledge, security agreement, deed of trust or other instrument granting a Lien upon any Company Property and securing obligations in excess of $500,000 individually, which Lien is not set forth in Section 4.10(a) of the Seller Disclosure Schedule;

(ix) any agreement, contract or other instrument for the acquisition or disposition of any material business, a material amount of stock or Assets of any person (whether by merger, sale of stock, sale of Assets or otherwise) to the extent the Company or any Company Subsidiary has any remaining obligations thereunder;

(x) any agreement, contract or other instrument with a Material Customer that Seller reasonably expects will result in purchases in excess of $250,000 under any individual agreement, contract or other instrument;

(xi) any collective bargaining agreement;

(xii) any agreement, contract or other instrument relating to capital expenditures and involving future payments in excess of $250,000 in any individual case or $750,000 in the aggregate;

(xiii) any agreement, contract or other instrument that requires insurance programs or policies to be maintained by the Company or any Company Subsidiary; or

(xiv) any agreement, contract or other instrument that involves outstanding or future payment obligations of $750,000 or more and is not cancelable by the Company or a Company Subsidiary without penalty within sixty (60) days.

(b) Each agreement, contract, lease, license, commitment or instrument of the Company and the Company Subsidiaries listed or required to be listed in Section 4.12(a) of the Seller Disclosure Schedule (collectively, the "Contracts") is valid, binding and in full force and effect and, to the knowledge of Seller, is enforceable by the Company or the applicable Company Subsidiary party thereto in accordance with its terms subject to applicable bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and other laws affecting creditors' rights generally, general principles of equity and the discretion of courts in granting equitable remedies and, except to the extent that the failure of a Contract to be valid, binding and in full force and effect would not be reasonably likely to have a material adverse impact on the business or financial performance of the Company and the Company Subsidiaries. The Company and each Company Subsidiary has performed all material obligations required to be performed by it under the Contracts and neither the Company nor any of the Company Subsidiaries is (with or without the lapse of time or the giving of notice, or both) in breach or default in any material respect thereunder and, to the knowledge of Seller, no other party to any of such contracts or agreements is (with or without the lapse of time or the giving of notice, or both) in breach or default in any material respect thereunder.

Section 4.13 Litigation. Section 4.13 of the Seller Disclosure Schedule sets forth a list of all Actions that are pending or, to Seller's knowledge, Actions threatened under circumstances that a reasonable person would believe amounted to a credible and imminent threat of litigation, or which have been pending at any time since January 1, 2013, in each case that a reasonable individual would expect to be material, against the Company or any Company Subsidiary or any of their respective properties, Assets, operations or businesses, excluding any threatened Actions that would not reasonably be determined to be credible and bona fide threats. Neither the Company nor any of the Company Subsidiaries is a party or subject to or in default under any material Order of any Governmental Entity or arbitration tribunal applicable to it or any of its respective properties, Assets, operations or business. This Section 4.13 does not relate to matters with respect to environmental matters, which are the subject of Section 4.16(b), or to matters with respect to employee benefits or ERISA matters, which are the subject of Section 4.14.

Section 4.14 Benefit Plans.

(a) Section 4.14(a) of the Seller Disclosure Schedule contains an accurate and complete list of all domestic and foreign (i) "employee benefit plans" (as defined in Section 3(3) of the employee Retirement Income Security Act of 1974 ("ERISA")); and (ii) and all other material employment, severance, consulting, vacation benefits, post-retirement, bonus, stock option, stock purchase, restricted stock, fringe benefit, profit-sharing, pension or retirement, medical, life insurance, disability, accident, salary continuation, sick pay, sick leave, supplemental retirement and unemployment benefit, deferred and incentive compensation plans and programs, arrangements, commitments, contracts, agreements and/or practices, whether or not in writing and whether or not subject to the provisions of ERISA (excluding workers' compensation, unemployment compensation and other government programs) (x) established, maintained or contributed to with respect to which any potential liability is borne by the Company or any Company Subsidiary or (y) established, maintained or contributed to by Seller or any of its Affiliates for the benefit of employees of the Company or any Company Subsidiary (all of the foregoing collectively, the "Company Benefit Plans").

(b) Except as set forth in Section 4.14(b) of the Seller Disclosure Schedule, no Company Benefit Plan is sponsored or maintained by the Company or any Company Subsidiary.

(c) Each Company Benefit Plan is in compliance in all respects with, to the extent applicable to such plan, ERISA, the Code, and all Applicable Law and has been administered and operated in all respects in accordance with its terms, except for any failure to so comply, administer or operate that would not, individually or in the aggregate, reasonably be expected to result in a material liability of the Company or any Company Subsidiary or Affiliate.

(d) Each Company Benefit Plan which is intended to be "qualified" within the meaning of Section 401(a) of the Code has received a favorable determination letter from the IRS covering all applicable tax law changes or is comprised of a master or prototype plan that has received a favorable opinion letter from the Internal Revenue Service (the "IRS") covering all applicable tax law changes.

(e) Neither the Company nor any of the Company Subsidiaries or any entity that would be considered a "single employer" with the Company or any Company Subsidiaries under Section 414(b), (m) or (o) of the Code maintains or has an obligation to contribute to, or has ever in the past six years maintained or contributed to (or borne any liability with respect to), (i) a "multiemployer plan" within the meaning of Section 3(37) of ERISA, (ii) a plan described in Section 413 of the Code, (iii) a plan subject to Title IV of ERISA or (iv) a plan subject to the minimum funding standards of Section 412 of the Code.

(f) As of the date hereof, no proceedings (other than routine benefit claims) are pending or, to the knowledge of Seller, threatened against or relating to any Company Benefit Plan, or any fiduciary thereof.

(g) Neither the Company nor any Company Subsidiary has incurred or expects to incur any material liability (including additional contributions, fines, taxes or penalties) as a result of a failure to administer or operate any Company Benefit Plan that is a "group health plan" (as such term is defined in Section 607(1) of ERISA or Section 5000(b)(1) of the Code, or in 45 Code of Federal Regulations Section 160.103, as applicable) in compliance with the applicable requirements of Part 6 of Subtitle B of Title I of ERISA and Section 4980B of the Code ("COBRA"), or the Health Insurance Portability and Accountability Act of 1996 and the regulations promulgated thereunder.

(h) Full payment has been timely made in all material respects of all amounts which the Company or any Company Subsidiary is required under Applicable Law or under any Company Benefit Plan or any agreement relating to any Company Benefit Plan to have paid as contributions or premiums thereunder.

(i) No Company Benefit Plan provides benefits with respect to any former or current employee of the Company or any Company Subsidiary, or any spouse or dependent of any such employee, beyond the employee's retirement or other termination of employment with the Company or any Company Subsidiary other than (i) coverage mandated by COBRA, or (ii) benefits in the nature of severance pay with respect to one or more of the employment contracts set forth on Section 4.14(a) of the Seller Disclosure Schedule. This Section 4.14 contains the sole and exclusive representations and warranties of Seller with respect to any of the Company Benefit Plans.

(j) The execution of this Agreement and the consummation of the transactions contemplated hereby do not constitute a triggering event under any Company Benefit Plan, policy, arrangement, statement, commitment or agreement, which (either alone or in combination with the occurrence of any additional or subsequent event) will or may result in (i) any severance, bonus, retirement or job security or similar-type payment or benefit, or increase any benefits or accelerate the payment, vesting or funding of any benefits to any employee or former employee or director of the Company or any Company Subsidiary, other than as set forth on Section 4.14(j) of the Seller Disclosure Schedule, or (ii) a payment that would result in the Company's, or any Company Subsidiary's, loss of a deduction pursuant to Section 280G of the Code.

(k) Seller has delivered or caused to be delivered to Buyer or its counsel (x) with respect to each Company Benefit Plan set forth on Section 4.14(b) of the Seller Disclosure Schedule (if any), (i) true and complete copies of such Company Benefit Plan, together with all amendments thereto, including, in the case of any such Company Benefit Plan not set forth in writing, a written description thereof, and, to the extent applicable, (ii) all current summary plan descriptions and any summaries of material modification, (iii) all current trust agreements, declarations of trust and other documents establishing funding arrangements (and all amendments thereto and the latest financial statements thereof), (iv) the most recent determination letter and/or opinion letter, (v) any materials relating to any government investigation or audit or any submissions under any voluntary compliance procedures, and (vi) all contracts and agreements relating to such Company Benefit Plan, including service provider agreements, insurance contracts, annuity contracts, investment management agreements, subscription agreements, participation agreements, recordkeeping agreements and collective bargaining agreements, and (y) with respect to each Company Benefit Plan other than the Company Benefit Plans set forth on Section 4.14(b) of the Seller Disclosure Schedule, a summary of the benefits provided under such Company Benefit Plan.

(l) Each Seller RSU Award referred to in Section 9.02 by its terms will terminate effective as of the Closing Date. As of the date hereof, the Seller RSU Awards cover an aggregate of 115,884 shares of Seller's common stock.

Section 4.15 Absence of Changes or Events.

(a) Since September 27, 2015 to the date hereof, there has not been a Material Adverse Effect or the occurrence of any change, effect, event, occurrence, state of facts or development, which would, individually or in the aggregate, be reasonably likely to have a Material Adverse Effect.

(b) Except as contemplated by this Agreement, since September 27, 2015 to the date hereof, Seller has caused the Business to be conducted in the ordinary course and neither the Company nor any of the Company Subsidiaries has taken any action that, if taken after the date of this Agreement, would constitute a breach of any of the covenants set forth in Section 5.02.

Section 4.16 Compliance with Applicable Law; Environmental Laws.

(a) Except as previously disclosed by Seller to Buyer in Section 4.16(a) of the Seller Disclosure Schedule, the Company and each Company Subsidiary has since January 1, 2013 conducted and is conducting its business in compliance in all material respects with all Applicable Law. The Company and each Company Subsidiary owns, holds or lawfully uses all Permits which are material for the conduct of its business as currently conducted. Each such Permit is valid and in full force and effect. Neither Seller nor the Company or any of the Company Subsidiaries has received any written communication since January 1, 2013 from a Governmental Entity that alleges that the Company or any Company Subsidiary is in violation in any material respect with any Applicable Law. This Section 4.16(a) does not relate to matters with respect to Taxes, which are the subject of Section 4.08, to employee benefit or ERISA matters which are the subject of Section 4.14 or to environmental matters, which are the subject of Section 4.16(b).

(b) Except as set forth in Section 4.16(b) of the Seller Disclosure Schedule, (i) neither Seller nor the Company or any of the Company Subsidiaries has received any written communication during the past three (3) years from a Governmental Entity or any other person that alleges that the Company or any Company Subsidiary is in violation in any material respect of or has actual or potential liability under any Environmental Laws or Environmental Permits (as hereinafter defined), the substance of which communication has not been resolved, or that it is a potentially responsible party under the Federal Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA"), (ii) the Company and the Company Subsidiaries collectively hold and, during the past three (3) years, have held and are and, during the past three (3) years, have been in compliance in all material respects with, all permits, licenses and governmental authorizations required under Environmental Laws ("Environmental Permits") for the Company and the Company Subsidiaries to conduct the business of the Company and the Company Subsidiaries, as currently conducted, (iii) the Company and the Company Subsidiaries are and, during the past three (3) years, have been in compliance in all material respects with all Environmental Laws, (iv) neither the Company nor any of the Company Subsidiaries has entered into or agreed to any Order, which Order is still in effect, and is not subject to any outstanding Order with respect to Environmental Laws, including with respect to any property currently or formerly owned, occupied or operated by the Company or any Company Subsidiary relating to compliance with any Environmental Law or to the investigation or cleanup of Hazardous Substances under any Environmental Law, (v) no Releases of Hazardous Substances have occurred at, from, in, to, on, or under any Site that could reasonably be expected to result in a material liability to the Company or any of the Company Subsidiaries under Environmental Laws, (vi) to Seller's knowledge, neither the Company nor any Company Subsidiaries has transported or arranged for the treatment, storage, handling, disposal, or transportation of any Hazardous Substance to any off-Site location listed on the U.S. Environmental Protection Agency's National Priorities List or on any analogous state list of sites subject to investigation or remediation pursuant to applicable Environmental Laws or any other off-Site location that could reasonably be expected to result in a material liability to the Company or any Company Subsidiaries, (vii) neither the Company nor any Company Subsidiary has agreed to indemnify or hold harmless any person for any liability or obligation arising under or relating to Environmental Laws, (viii) no consent, approval, license, permit, order or authorization of, or registration, declaration or filing with, any Governmental Entity is required

under any Environmental Law to be obtained or made by or with respect to Seller, the Company or any of the Company Subsidiaries in connection with the execution, delivery and performance of this Agreement or the Other Transaction Documents or the consummation of the Transactions, and (ix) there are no environmental assessments, investigations, studies, audits, tests, reviews or other analyses in the possession of the Company or any Company Subsidiary (or any advisors or Representatives thereof) with respect to any Site which have not been delivered to Buyer prior to execution of this Agreement. The representations and warranties made in this Section 4.16(b) and Sections 4.07 and 4.15 are Seller's exclusive representations and warranties relating to Environmental Laws.

(c) The Company and the Company Subsidiaries are and have been during the past three (3) years in compliance with all applicable Anti-Corruption Laws. None of the Company or any of the Company Subsidiaries has taken any action, directly or indirectly, that would reasonably be expected to result in a violation of any Anti-Corruption Law. None of the Company or any of the Company Subsidiaries has, either directly or indirectly: (i) made or offered or solicited or accepted any contribution, donation, gift, gratuity, travel, entertainment, bribe, rebate, payoff, influence payment, kickback, or other payment or anything else of value to or from any person, private or public, regardless of what form, whether in money, property, or services (A) to obtain favorable treatment for any business sought, (B) to pay for favorable treatment for any business obtained, (C) to obtain or pay for special concessions or for special concessions for any business previously obtained or (D) otherwise to confer any benefit, in each case of clauses (A) – (D), in material violation of any Anti-Corruption Law or the requirements of any Governmental Entity; (ii) been party to the establishment or maintenance of any unlawful fund of monies or other Assets; (iii) been party to the making of any false or fictitious entries in the books or records of the Company or any of the Company Subsidiaries that would reasonably be expected to result in liability under Anti-Corruption Laws; or (iv) accepted and/or received any unlawful contributions, payments and/or expenditures.

(d) Neither the Company nor any of the Company Subsidiaries has (i) received during the past three (3) years any written communication that the Company or any of the Subsidiaries is in violation of, or has any liability under any applicable any Anti-Corruption Laws or (ii) been or currently is acting as a government or political official, or an agent or employee of a Governmental Entity.

(e) Neither the Company nor any of the Company Subsidiaries, are or have been designated on any restricted party list published by any Governmental Entity (including, without limitation, the Department of Treasury, Office of Foreign Assets Control's "Specially Designated Nationals List", the Department of Commerce, Bureau of Industry and Security's "Denied Persons List", the Department of State, Directorate of Defense Trade Controls' "Debarred Parties List"), the United Nations (UN) financial sanctions lists, and financial sanctions lists enacted by EU member states pursuant to UN, EU, and national regimes.

Section 4.17 Employee and Labor Matters. (a) To the knowledge of Seller, there is currently no pending, and during the past three (3) years has not been, any threatened labor strike, work stoppage, walk-out, slowdown, picketing, lockout or material labor dispute, disruption or shortage involving any employee or independent contractors of the Company or any Company Subsidiary or any of their service providers, suppliers or other business relations;

(b) neither the Company nor any Company Subsidiary is a party to or bound by any collective bargaining agreement, memoranda of understanding, side letter agreements or other Contract with any labor organization; (c) to the knowledge of Seller, neither the Company nor any Company Subsidiary has received notice during the past three (3) years that any petition for election has been filed, there is no representation petition pending with the National Labor Relations Board and there is no union organizational campaign in progress with respect to the employees of the Company or any Company Subsidiary and no petition for such representation is pending with respect to such employees; (d) there is no unfair labor practice charge or complaint against the Company or the Company Subsidiaries pending, or, to the knowledge of Seller, threatened, before the National Labor Relations Board; (e) there are no pending, or, to the knowledge of Seller, threatened, union grievances against the Company or any Company Subsidiaries as to which there is a reasonable possibility of adverse determination and that, if so determined, individually or in the aggregate, would be reasonably likely to have a material adverse impact on how the Company operates its business or, material adverse impact on the Company's financial performance; (f) there are no pending, or, to the knowledge of Seller, threatened, material charges against the Company or any Company Subsidiaries or any of their respective current or former employees before the Equal Employment Opportunity Commission or any state or local agency responsible for the prevention of unlawful employment practices as to which there is a reasonable possibility of adverse determination; (g) during the past three (3) years, neither Seller nor the Company has received written notice of the intent of any Governmental Entity responsible for the enforcement of labor or employment laws to conduct an investigation of the Company or any Company Subsidiary and, to the knowledge of Seller, no such investigation is in progress; (h) during the past three (3) years, the Company and the Company Subsidiaries have been operating in material compliance with all Applicable Law relating to employment, employment standards, employment of minors, employment discrimination, health and safety, labor relations, withholding, wages and hours, workplace safety and insurance and/or pay equity; (i) the Company and the Company Subsidiaries have each filed all material reports, information and notices required under any Applicable Law regarding the hiring, hours, wages, occupational safety and health, employment, promotion, termination or benefits of all employees, and will timely file prior to the Closing all such reports, information and notices required by any Applicable Law to be given prior to the Closing; (j) to the knowledge of Seller, each individual that renders services to the Company and the Company Subsidiaries who is classified as (i) an independent contractor or other non-employee status, (ii) an exempt or non-exempt employee, or (iii) intern is properly so classified for all purposes, including taxation and Tax reporting, Fair Labor Standards Act purposes, and Applicable Law governing the payment of wages; (k) the Company and the Company Subsidiaries have during the past three (3) years each paid or properly accrued all wages and compensation due to all employees, including all overtime pay, vacations or vacation pay, holidays or holiday pay, sick days or sick pay, and bonuses; (l) the Company and the Company Subsidiaries have each properly maintained records for all employees and personnel records in material compliance with Applicable Law; (m) no employees are in receipt of workers compensation benefits, there are no outstanding penalties pursuant to worker's compensation statutes, or charges regarding same, and there no pending government agency charges, complaints, or claims, no knowledge of potential claims, and no actions taken that would give rise to a claim; (n) the Company and the Company Subsidiaries have each complied during the past three (3) years in all respects with the requirements of the Immigration Reform and Control Act of 1986 and Section 274(A) of the

Immigration and Nationality Act with respect to all employees, and all employees who are performing services for the Company and the Company Subsidiaries in the United States are legally able to work in the United States; and (o) the Company and the Company Subsidiaries have each complied during the past three (3) years in all respects with the Worker Adjustment and Retraining Notification Act of 1988 and any similar state or other Applicable Law provisions for which Buyer could be liable. Seller has provided to Buyer a written list of all employees of the Company and the Company Subsidiaries as of March 23, 2016.

Section 4.18 Affiliate Transactions. Except to the extent any of the Support Services set forth in Section 4.18 of the Seller Disclosure Schedule are material, Seller and its Affiliates provide no material services to the Company or the Company Subsidiaries. Except as set forth in Section 4.18 of the Seller Disclosure Schedule, neither Seller nor its other subsidiaries owns any Assets (including fixed Assets, inventories and Intellectual Property Rights) that are used exclusively or primarily in the conduct of the business of the Company and the Company Subsidiaries.

Section 4.19 Insurance.

(a) Section 4.19(a) of the Seller Disclosure Schedule sets forth each material insurance policy maintained by or for the benefit of the Company or any Company Subsidiary on its properties, Assets, products, business or personnel, including policies for fire and casualty, workers' compensation, errors and omission coverage and directors' and officers' liability coverage, and the deductibles and coverage limits for each policy. Neither the Company nor any of the Company Subsidiaries is in material default with respect to any provision contained in any such insurance policy or has failed to give any notice or present any material claim under any such insurance policy in due and timely fashion. All premiums in respect of each insurance policy maintained by or for the benefit of the Company or any Company Subsidiary has been paid when due; no default on the part of the Company or any Company Subsidiary exists with respect to any of such policies; and to the knowledge of Seller as of the date of this Agreement, all of such policies are in full force and effect.

(b) As of the date of this Agreement, none of Seller, the Company or any Company Subsidiary has received written notice of cancellation of any insurance policies listed in Section 4.19(a) of the Seller Disclosure Schedule.

Section 4.20 Company Products. Except as would not be reasonably expected to result in material liability for the Company or its Subsidiaries, and except for bugs, errors, or defects tracked by the Company or its Subsidiaries in the ordinary course of business, to the knowledge of Seller, the Company products (including any software products) sold, licensed, leased, or delivered by the Company or any Company Subsidiary (collectively, the "Company Products") contain no material bugs, errors, or defects that would reasonably be expected to result in a recall due to epidemic failure when considered in accordance with generally accepted industry standards.

Section 4.21 Directors and Officers. Section 4.21 of the Seller Disclosure Schedule lists the directors and officers (or equivalent positions) of the Company and each of the Significant Company Subsidiaries as of the date of this Agreement. There are no contracts or other agreements preventing or restricting the removal of the directors and officers (or equivalent positions) of the Company and each of the Company Subsidiaries.

Section 4.22 Brokers. No broker, finder or investment banker is entitled to any brokerage, finders or other fee or commission from Seller or any of Seller's Affiliates in connection with the Transactions.

ARTICLE V

Covenants of Seller

Seller covenants and agrees as follows:

Section 5.01 Access. From the date hereof to the Closing, Seller shall, and shall cause the Company and the Company Subsidiaries to, give Buyer and its Representatives reasonable access, during normal business hours and upon reasonable notice, to all personnel, properties, books and records of the Company and the Company Subsidiaries; provided, however, that such access does not (a) unreasonably disrupt the normal operations of Seller, the Company or the Company Subsidiaries or any other subsidiary of Seller or (b) cause the loss of any attorney-client privilege; provided, however that in the case of clause (b) above, Seller shall cause the Company and the Company Subsidiaries to use commercially reasonable efforts to provide, if possible to provide in a manner that does not result in the loss of attorney-client privilege, Buyer and its Representatives with alternative disclosure reasonably sufficient to convey the substance of such matter. Notwithstanding anything in this Agreement to the contrary, from the date hereof until the Closing, neither Buyer nor any of its Representatives will be permitted to collect or analyze any environmental samples or perform any invasive environmental procedure with respect to any property of the Company or the Company Subsidiaries.

Section 5.02 Ordinary Conduct.

(a) Except as set forth in Section 5.02 of the Seller Disclosure Schedule or otherwise contemplated by the terms of this Agreement, from the date hereof to the Closing, Seller shall cause the Company and the Company Subsidiaries to conduct the Business in the ordinary course in substantially the same manner as presently conducted and to use commercially reasonable efforts to (i) preserve the Business's relationships with customers and suppliers and (ii) keep available the services of executive officers and key employees of the Business. Seller shall use commercially reasonable efforts (without any requirement to offer or provide any benefit or accommodation, economic or otherwise) to assist Buyer in its efforts to cause the Transferred Employees to become employed by the Company or a Company Subsidiary at or prior to the Closing on terms that match their current compensation or other terms acceptable to Buyer.

(b) Except as set forth in Section 5.02 of the Seller Disclosure Schedule or otherwise contemplated by the terms of this Agreement, from the date hereof to the Closing, neither the Company nor the Company Subsidiaries shall, and Seller shall not permit the Company or any Company Subsidiary to, do any of the following without the prior written consent of Buyer:

(i) amend its Certificate of Incorporation or Bylaws or similar charter documents;

(ii) declare or pay any dividend or make any other distribution to its stockholders whether or not upon or in respect of any shares of its capital stock, other than dividends or other distributions paid or made solely to the Company or any other Company Subsidiary; provided, however, that (A) Buyer acknowledges that the Company does not maintain cash balances and, at the time of the Closing, Seller will withdraw any cash balances of the Company, and (B) dividends and distributions of cash may continue to be made by the Company to Seller or its Affiliates prior to the Closing;

(iii) redeem or otherwise acquire any shares of its capital stock or issue any capital stock or any option, warrant or right relating thereto or any securities convertible into or exchangeable for any shares of capital stock;

(iv) liquidate or dissolve or adopt any plan of liquidation, dissolution, merger, consolidation or other reorganization;

(v) grant to any director, manager, officer or employee of the Company or any Company Subsidiary any increase in compensation or benefits, except in the ordinary course of business consistent with past practice or as may be required under existing agreements, or enter into, adopt or materially amend any employment, consulting, bonus, commission, severance or retirement contract or agreement or adopt any employee bonus or benefit plan, other than in the ordinary course of business consistent with past practice;

(vi) incur or assume any Debt or guarantee any such Debt, in each case other than accounts payable and other accrued liabilities for the payment for goods and services incurred in the ordinary course of business consistent with past practice;

(vii) permit, allow or suffer any of its Assets to become subjected to any mortgage, Lien, security interest, encumbrance, easement, covenant, right of way or other similar restriction of any nature whatsoever which would have been required to be set forth in Section 4.10(a) or Section 4.12(a) of the Seller Disclosure Schedule if existing on the date of this Agreement;

(viii) cancel any material Debt (individually or in the aggregate) or cancel or waive any claims or rights with a value to the Company or any Company Subsidiary in excess of $250,000

(ix) except for (A) dividends and distributions permitted under clause (ii) above, and (B) intercompany transactions in the ordinary course of business or necessary to settle intercompany accounts prior to the Closing, pay, loan or advance any amount to, or sell, transfer or lease any of its Assets to, or enter into any agreement or arrangement with, Seller or any of its Affiliates other than the Company and the Company Subsidiaries;

(x) make any change in any method of accounting or accounting practice or policy other than those required by GAAP or Applicable Law;

(xi) acquire by merging or consolidating with, or by purchasing a substantial portion of the Assets of, or by any other manner, any business or any corporation, partnership, association or other business organization or division thereof or otherwise acquire any Assets (other than inventory in the ordinary course of business consistent with past practice);

(xii) make or incur any capital expenditure that is not currently approved in writing or budgeted which, individually, is in excess of $100,000, or make or incur any such expenditures which, in the aggregate, are in excess of $500,000;

(xiii) sell, lease or otherwise dispose of any of its Assets which are material, individually or in the aggregate, to the Business (other than inventory in the ordinary course of business consistent with past practice), or enter into any lease of any personal property except leases entered into in the ordinary course of business consistent with past practice;

(xiv) enter into any lease of real property, except any renewals of existing leases in the ordinary course of business;

(xv) modify, amend, terminate or permit the lapse of any lease of, or reciprocal easement agreement, operating agreement or other material agreement relating to, real property (except modifications or amendments associated with renewals of existing leases in the ordinary course of business consistent with past practice);

(xvi) make or change any Tax election, change an annual accounting period in respect of Taxes, adopt or change any Tax accounting method, file any amended Tax Return, enter into any closing agreement in respect of Taxes, settle any Tax claim or assessment relating to Taxes in excess of $5,000, or consent to any extension or waiver of the limitation period applicable to any Tax claim or assessment;

(xvii) terminate the employment of any of the Certain Employees, other than for cause, or transfer any employee from Seller or another subsidiary of Seller to the Company or a Company Subsidiary, or transfer any employee of the Company or any Company Subsidiary to Seller or another subsidiary of Seller;

(xviii) enter into any collective bargaining agreement or other contract or agreement with any labor organization;

(xix) make any loans, advances or capital contributions, except for advances for travel and other normal business expenses to directors, managers, officers and employees in the ordinary course of business consistent with past practice;

(xx) plan, announce or implement any reduction in work force, lay-off, early retirement program, severance program or other program concerning the termination of employment of employees that would constitute a "mass layoff" or "plant closing" (as defined under the Worker Adjustment and Retraining Notification Act of 1988) and any similar state or other Applicable Law;

(xxi) modify, cancel or terminate any Contract other than modifications, renewals, cancelations and terminations of Contracts in the ordinary course of business;

(xxii) materially change the Company's or any Company Subsidiary's policies with regard to the payment of accounts payable or the collection of accounts receivable; or

(xxiii) agree, whether in writing or otherwise, to do any of the foregoing.

Section 5.03 Financial Statements.

(a) Seller shall use its reasonable best efforts to provide, by March 28, 2016, Buyer with copies of the consolidated unaudited balance sheet as of January 3, 2016 and September 27, 2015 and the related consolidated statement of profit and loss and cash flows of the Company for the three month periods ended January 3, 2016 and December 28, 2014, in a form meeting the applicable requirements of Regulation S-X and reviewed by PricewaterhouseCoopers LLP in accordance with the Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Buyer shall reimburse Seller for all third party fees and expenses relating to the preparation and review of such financial statements.

(b) If the Closing shall not have occurred by May 15, 2016, then Seller shall use best efforts to no later than May 15, 2016, and in any event before June 20, 2016 (provided that if the Seller delivers such financial statements after May 15, 2016 and on or before June 20, 2016, the Closing shall be extended to one Business Day after Seller delivers such financial statements), provide Buyer with copies of the consolidated unaudited balance sheet as of April 3, 2016 and September 27, 2015 and the related consolidated statement of profit and loss and cash flows of the Company for the three and six month periods ended April 3, 2016 and March 29, 2015, in a form meeting the applicable requirements of Regulation S-X and reviewed by PricewaterhouseCoopers LLP in accordance with the Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Buyer shall reimburse Seller for all third party fees and expenses relating to the preparation and review of such financial statements.

Section 5.04 Intercompany Obligations. Except as set forth on Schedule 5.04, Seller shall take (or cause to be taken) such action or make (or cause to be made) such payments as may be necessary so that, as of the Closing Date there shall be no intercompany agreements or obligations (including any intercompany account balances or cash pooling arrangements, which shall be eliminated, between the Company and the Company Subsidiaries, on the one hand, and Seller and its Affiliates, on the other hand, either through the capitalization, dividend, repayment, assignment or novation of such intercompany account balances or otherwise, and none of Buyer or any of its Affiliates shall have any claim, action or other right against Seller or any of its Affiliates with respect to any funds, accounts or other Assets or proceeds thereof that were subject to or arose out of any such intercompany account balances), other than (a) pursuant to the Transaction Documents, (b) as reflected in the Estimated Closing Statement or (c) as otherwise disclosed on Schedule 5.04. For the avoidance of doubt, nothing in this Section 5.04 shall require Seller to terminate, cancel, waive or release any intercompany agreements or obligations that are exclusively between or among the Company and/or any Company Subsidiary or Company Subsidiaries.

Section 5.05 Transfer of Assets. At or prior to the Closing, Seller shall, and shall cause its applicable Subsidiaries to transfer good and valid title to the Transferred Assets, to the Company and/or one or more of the Company Subsidiaries, free and clear of all Liens other than Permitted Liens, other than those Transferred Assets for which such transfer would require a Required Third Party Consent with respect to which such Required Third Party Consent has not been obtained prior to the Closing (which Transferred Assets will be transferred only once such Required Third Party Consent has been obtained).

Section 5.06 Assignment. Seller hereby assigns, effective as of the Closing , to Buyer all Assignment of Inventions and Copyrights and Confidential Information Agreements entered into by the Seller with any employee (other than any employees identified on Section 5.06 of the Seller Disclosure Schedule, each a "Excluded Employee") of the Company and the Company Subsidiaries to the extent such agreements relate to the Company and the Company Subsidiaries and to the extent such an assignment is permissible without the consent of such an employee. If Seller signs a non-disclosure agreement with an Excluded Employee in the form provided by Seller, Seller shall assign such Assignment of Inventions and Copyrights and Confidential Information Agreements with respect to such Excluded Employee.

ARTICLE VI

Representations and Warranties of Buyer

Buyer hereby represents and warrants to Seller as follows:

Section 6.01 Authority. Buyer is a corporation duly organized, validly existing and in good standing under the laws of the State of Massachusetts. Buyer has all requisite corporate power and authority to enter into this Agreement, to perform its obligations hereunder and to consummate the Transactions. All corporate acts and other proceedings required to be

taken by Buyer to authorize the execution, delivery and performance of this Agreement and any Other Transaction Documents to which it is a party and the consummation of the Transactions have been duly and properly taken. This Agreement has been duly executed and delivered by Buyer and constitutes a legal, valid and binding obligation of Buyer, enforceable against Buyer in accordance with its terms, subject to the Bankruptcy and Equity Exception. No approval of Buyer's shareholders is required to perform its obligations under, or consummate the transactions provided for by, this Agreement.

Section 6.02 No Conflicts; Consents. The execution and delivery of this Agreement by Buyer does not, and the consummation of the Transactions and compliance with the terms hereof will not, conflict with, or result in any violation of or default (with or without notice or lapse of time, or both) under, or give rise to a right of termination, cancellation or acceleration of any obligation or to loss of a material benefit under, or result in the creation of any Lien upon any of the properties or Assets of Buyer or any subsidiary of Buyer under, any provision of (a) the Articles of Incorporation or Bylaws of Buyer or the comparable governing instruments of any subsidiary of Buyer, (b) any material note, bond, mortgage, indenture, deed of trust, license, lease, contract, commitment, agreement or arrangement to which Buyer or any subsidiary of Buyer is a party or by which any of their respective properties or Assets are bound, or (c) any Order or material statute, law, ordinance, rule or regulation applicable to Buyer or any subsidiary of Buyer or their respective properties or Assets, other than, in the case of clauses (b) and (c) above, any such items that, individually or in the aggregate, would not have a material adverse effect on the ability of Buyer to consummate the Transactions. No material consent, approval, license, permit, order or authorization of, or registration, declaration or filing with, any Governmental Entity is required to be obtained or made by or with respect to Buyer or any of its subsidiaries or their respective Affiliates in connection with the execution, delivery and performance of this Agreement or the consummation of the Transactions, other than (i) compliance with and filings under the HSR Act, if applicable, and (ii) those that may be required solely by reason of Seller's (as opposed to any other third party's) participation in the Transactions.

Section 6.03 Securities Act. The Interest purchased by Buyer pursuant to this Agreement are being acquired for investment only and not with a view to any public distribution thereof, and Buyer shall not offer to sell or otherwise dispose of the Interest so acquired by it in violation of any of the registration requirements of the Securities Act of 1933, as amended.

Section 6.04 Actions and Proceedings, etc. There are no (a) outstanding Orders of any Governmental Entity or arbitration tribunal against Buyer or any of its Affiliates, (b) lawsuits, actions or proceedings pending or, to the knowledge of Buyer, threatened against Buyer or any of its Affiliates, or (c) investigations by any Governmental Entity which are, to the knowledge of Buyer, pending or threatened against Buyer or any of its Affiliates, which, in the case of each of clauses (a), (b) and (c), have or could have a material adverse effect on the ability of Buyer to consummate the Transactions.

Section 6.05 Financing. Buyer has delivered to Seller true and complete copies of the fully executed commitment letter and related term sheets, dated as of the date of this Agreement, among Buyer, Bank of America, N.A., Merrill Lynch, Pierce, Fenner & Smith Incorporated, Citibank, N.A., KeyBank National Association, KeyBanc Capital Markets Inc.,

SunTrust Bank and SunTrust Robinson Humphrey, Inc., together with the related fee letter (solely in the case of the fee letter, with only the fee amounts, pricing, "market flex" provisions and other economic terms that do not adversely affect the enforceability, availability or conditionality of, or the aggregate amount of proceeds available under, the Debt Financing contained therein redacted) (collectively, the "Debt Financing Commitment" or "Financing Commitment"), pursuant to which the arrangers and lenders party thereto (together with any other person that becomes party to such letter as an arranger or a lender after the date hereof) have committed, subject to the terms thereof, to lend the amounts set forth therein (the "Debt Financing" or "Financing"). As of the date of this Agreement, the Financing Commitment has not been amended, supplemented or modified, and the respective commitments contained in the Financing Commitment have not been withdrawn, terminated or rescinded in any respect, to the knowledge of Buyer, and no amendment, termination or modification is contemplated (it being understood that the exercise of "market flex" provisions under the fee letter shall not be deemed an amendment or modification). As of the date of this Agreement, there are no side letters, understandings or other agreements or contracts of any kind, in each case to which Buyer is a party, relating to the Debt Financing that reduces the amount of, or otherwise affects the conditionality or availability of, the Financing on the Closing Date, other than as expressly set forth in the Debt Financing Commitment. There are no conditions precedent or contingencies related to the funding of the full amount of the Financing, other than as expressly set forth in the Debt Financing Commitments. The Debt Financing Commitment, in the form so delivered, is in full force and effect as of the date of this Agreement and is a legal, valid and binding obligation of Buyer and, to the knowledge of Buyer, the other parties thereto, in each case subject to the Bankruptcy and Equity Exception. As of the date of this Agreement, no event has occurred which, with or without notice, lapse of time or both, would constitute a default or breach on the part of Buyer under any term or condition of the Financing Commitment. As of the date of this Agreement (a) Buyer is not aware of any fact or occurrence that makes any of the assumptions, or the representations or warranties of Buyer, in the Financing Commitment inaccurate in any material respect, (b) assuming compliance by each of Seller, the Company and each of the Company Subsidiaries with its respective obligations set forth in Section 8.08 hereof, Buyer has no reason to believe that any of the conditions to the Financing will fail to be satisfied on the Closing Date and (c) Buyer has no reason to believe that any portion of the Financing to be made available on the Closing Date pursuant to the Financing Commitment will not be made available to Buyer on the Closing Date. Buyer has fully paid any and all commitment fees or other fees required by the Financing Commitment to be paid by it on or prior to the date of this Agreement.

Section 6.06 Sufficiency of Funds. At the Closing, assuming (i) the conditions set forth in Sections 3.01(a), 3.01(e) and 3.02 have been satisfied and (ii) the completion of the Marketing Period, Buyer will have sufficient funds to satisfy all of Buyer's obligations under this Agreement, including the consummation of the purchase and sale of the Interest and the other transactions contemplated by this Agreement and the Other Transaction Documents upon the terms set forth herein and therein, including the payment of the Purchase Price and all related fees and expenses associated with the foregoing. Buyer acknowledges that its obligations under this Agreement are not conditioned upon or subject to its receipt of the proceeds made available under the Financing Commitment or any other Financing (such obligations being subject only to the satisfaction of the conditions set forth in Section 3.01).

Section 6.07 Brokers. No broker, finder or investment banker is entitled to any brokerage, finders or other fee or commission from Buyer or any of Buyer's Affiliates in connection with the Transactions other than such fees under the Commitment Letter and fee letter, which will not be the responsibility of Seller.

Section 6.08 Certain Arrangements. There are no agreements, contracts or instruments, or commitments to enter into agreements, contracts or instruments, between Buyer or any of its Affiliates, on the one hand, and any director or officer or, to the knowledge of Buyer, employee of the Company or any Significant Company Subsidiary, on the other hand.

Section 6.09 Solvency. Assuming the representations and warranties of Seller are true and correct in such respects to the extent required by the first sentence of Section 3.01(a), immediately after the Closing and after giving effect to the transactions contemplated by this Agreement, the payment of the Purchase Price and the payment of all fees and expenses related to the transactions contemplated by this Agreement, the Company and each of the Company Subsidiaries will be Solvent.

Section 6.10 Certain Matters. Buyer has provided to Seller, prior to the date hereof, true and correct copies of the most recent audited consolidated balance sheet of Buyer and related audited consolidated statement of operations and comprehensive income for Buyer, and, except as disclosed in Buyer's public filings prior to the date hereof with the Securities and Exchange Commission, such financial statements fairly present in all material respects, in conformity with GAAP applied on a consistent basis, the consolidated financial position of Buyer as of the dates thereof and the consolidated results of operations and comprehensive income of Buyer for the periods then ended. Since the date of its most recent audited consolidated balance sheet, except as disclosed in Buyer's public filings prior to the date hereof with the Securities and Exchange Commission, there has not been any event, occurrence, development or state of circumstances or facts that has had or would reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect (for purposes of this sentence only, substituting "Buyer and its Subsidiaries" for "the Company and the Company Subsidiaries" in such definition).

Section 6.11 No Vote Required. No vote or consent of the holders of any class or series of capital stock of Buyer or the holders of any other securities of Buyer (equity or otherwise) is necessary to enter into this Agreement, or to consummate the Purchase and Sale or the Other Transactions.

ARTICLE VII

Covenants of Buyer

Buyer covenants and agrees as follows:

Section 7.01 No Additional Representations. Buyer acknowledges that it has completed such inquiries and investigations as it has deemed appropriate into the Company and each Company Subsidiary. Buyer acknowledges (on behalf of itself and its Affiliates) that it and its Representatives have been permitted adequate access to the books and records, facilities,

equipment, tax returns, contracts, insurance policies (or summaries thereof) and other properties and Assets of the Company and the Company Subsidiaries that it and its representatives have desired or requested to see and/or review, and that it and its Representatives have had opportunities to meet with the partners, officers and employees of Seller, the Company and the Company Subsidiaries to discuss the businesses and Assets of the Company and the Company Subsidiaries. Buyer acknowledges and agrees (on behalf of itself and its Affiliates) that (a) none of Seller, the Company or any other person has made any representation or warranty, expressed or implied, with respect to the transactions contemplated by this Agreement or as to the accuracy or completeness of any information regarding the Company and the Company Subsidiaries furnished or made available to Buyer and its representatives, except as expressly set forth in this Agreement or the Seller Disclosure Schedule , (b) Buyer and its Affiliates have not relied on any representation or warranty from Seller, the Company, any Company Subsidiary or any other person with respect to the Company, the Interest, the Business or any other matter, except for the representations and warranties expressly set forth in this Agreement or the Seller Disclosure Schedule, (c) none of Seller, the Company, or any other person shall have or be subject to any liability to Buyer or any other person resulting from the distribution to Buyer, or Buyer's use of, any such information and any information, documents or material made available to Buyer in certain "data room(s)", management presentations or in any other form in expectation of the Transactions and (d) EXCEPT WITH RESPECT TO REPRESENTATIONS AND WARRANTIES AND COVENANTS AS EXPRESSLY SET FORTH IN THIS AGREEMENT, SHOULD THE CLOSING OCCUR, THE INTEREST (AND THEREFORE THE COMPANY) ARE ACQUIRED BY BUYER WITHOUT ANY REPRESENTATION OR WARRANTY AS TO MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE, IN AN "AS IS" CONDITION AND ON A "WHERE IS" BASIS.

Section 7.02 No Use of Certain Names. Buyer shall cause the Company and the Company Subsidiaries promptly, and in any event within ninety (90) days after Closing, to revise product and service literature and labeling to delete all references to the Names and to change signing and stationery and otherwise discontinue use of the Names; provided, however, the Company and the Company Subsidiaries shall not be required to revise any Names incorporated into any products for a period of ninety (90) days after the Closing; provided, further, that the Company and the Company Subsidiaries may continue to sell products that uses any Names ("Named Products") to the extent that (x) such Named Product exists on the Closing Date or are produced within the ninety (90) day period following the Closing or (y) for products which require re-certification by a customer, until such time (but not beyond one (1) year) as Buyer shall have received (after requesting) an acceptance from such customer for the change of the Name on the product, provided that Buyer shall sell all such Named Products prior to the distribution of any similar product of Buyer that does not use the Names. In no event shall Buyer or the Company or any of the Company Subsidiaries use any Names after the Closing in any manner or for any purpose different from the use of such Names by the Company and the Company Subsidiaries during the thirty (30)-day period preceding the Closing. "Names" means "Microsemi", any variations and derivatives thereof and any other logos or trademarks of Seller or its Affiliates not included in Section 4.11 of the Seller Disclosure Schedule.

Section 7.03 Buyer Activity on Closing Date. On the Closing Date, Buyer shall cause the Company and the Company Subsidiaries to conduct their business in the ordinary course in substantially the same manner as presently conducted and on the Closing Date shall not

permit the Company or the Company Subsidiaries to effect any extraordinary transactions (other than any such transactions expressly required by Applicable Law or by this Agreement) that could result in Tax liability to the Company or any of the Company Subsidiaries in excess of Tax liability associated with the conduct of its business in the ordinary course.

ARTICLE VIII

Mutual Covenants

Each of Seller and Buyer covenants and agrees as follows:

Section 8.01 Shared Contracts; Material Contract Consents.

(a) The parties acknowledge that Seller and its Subsidiaries are parties to certain contracts listed on Schedule 8.01(a) that relate to both the operations or conduct of the Business as well as other businesses of one or more of Seller and its Subsidiaries but that will remain with Seller and its Affiliates after the Closing (the "Shared Contracts"). During the Pre-Closing Period, the parties shall cooperate and shall use their respective commercially reasonable efforts (i) to obtain the agreement of the counterparties to each such Shared Contract to enter into a new contract (or contract amendment, as applicable), effective as of the Closing Date or as soon thereafter as is reasonably possible, pursuant to which Buyer or its Affiliate, as applicable, will receive substantially the same goods, services and intellectual property rights provided to Seller and its Subsidiaries as of the date of this Agreement pursuant to the Shared Contract (the "Shared Contract Rights") on terms and conditions substantially similar to those contained in the Shared Contract as of the date of this Agreement (each, a "Replacement Contract") and (ii) to cause the applicable counterparty to release Seller and its applicable Subsidiaries from any obligations under the Shared Contract that become the obligation of Buyer or its Affiliates under the Replacement Contract.

(b) Except with respect to Shared Contracts, which will be governed solely by Section 8.01(a), during the Pre-Closing Period, the parties shall cooperate and shall use their respective commercially reasonable efforts to obtain any consents from any third party required by the terms of a Contract as a result of the Transactions ("Required Third Party Consents"), including the consents set forth on Schedule 8.01(b).

(c) Notwithstanding anything to the contrary in this Agreement: (i) no Replacement Contract or Required Third Party Consent shall impose any Liability on Seller or its Affiliates after the Closing; (ii) neither Seller nor any of its Affiliates shall be required (A) to expend any money with respect to any Shared Contract, Replacement Contract or Required Third Party Consent, (B) to remedy any breach under or with respect thereto, or (C) to commence or participate in any Action or offer or grant any accommodation (financial or otherwise) to any third party in order to provide Buyer with the benefits under a Shared Contract, with a Replacement Contract or a Required Third Party Consent; and (iii) no representation, warranty or covenant of Seller contained in the Transaction Documents shall be breached, or deemed breached, no condition shall be deemed not satisfied, and neither Seller nor any of its Affiliates will have any Liability whatsoever to Buyer or any of its Affiliates, based on, arising out of or relating to (x) the failure to obtain any Replacement Contract or Required Third Party Consent,

(y) any termination of any Shared Contracts or any Contracts for which a Required Third Party Consent is contemplated by Section 8.01(b) or (z) any Action commenced or threatened by or on behalf of any person arising out of or relating to any Shared Contract, the failure to obtain any Replacement Contract or any Required Third Party Consent or the termination of any Shared Contract or any Contracts for which a Required Third Party Consent is contemplated by Section 8.01(b).

Section 8.02 Cooperation. For a period of ninety (90) days following the Closing, Buyer and Seller shall provide reasonable cooperation with each other, and shall cause their officers, employees, agents, auditors and other Representatives to provide reasonable cooperation with each other to ensure the orderly transition of the Company and the Company Subsidiaries from Seller to Buyer and to minimize any disruption to the respective businesses of Seller, Buyer, the Company and the Company Subsidiaries that might result from the Transactions. After the Closing, upon reasonable written notice, Buyer and Seller shall furnish or cause to be furnished to each other and their employees, counsel, auditors and other Representatives access, during normal business hours, to such information and assistance relating to the Company and the Company Subsidiaries as is reasonably necessary for financial reporting and accounting matters, the preparation and filing of any Tax Returns, reports or forms or the defense of any Tax claim or assessment. Each party shall reimburse the other for reasonable out-of-pocket costs and expenses incurred in assisting the other pursuant to this Section 8.02. After the Closing, Buyer shall and shall cause the Company and the Company Subsidiaries to, provide any assistance reasonably requested by Seller in connection with the Specified Litigation and any related matters, including providing reasonable access during normal business hours to the Company's and the Company Subsidiaries' properties, books, contracts, personnel and records relevant to such matters. Neither party shall be required by this Section 8.02 to take any action that would unreasonably interfere with the conduct of its business or unreasonably disrupt its normal operations (or, in the case of Buyer, the business or operations of the Company and the Company Subsidiaries). For the avoidance of doubt, any Buyer Confidential Information or Seller Confidential Information provided to the requesting party or to which the requesting party or its Affiliates gain access pursuant to this Section 8.02 shall be subject to the provisions of Section 8.10.

Section 8.03 Publicity. Seller and Buyer agree that, from the date hereof through the Closing Date, no public release or announcement concerning the Transactions shall be issued by either party without the prior consent of the other party (which consent shall not be unreasonably withheld), except as such release or announcement may be required by law or the rules or regulations of any United States or foreign securities exchange, in which case the party required to make the release or announcement shall allow the other party reasonable time to comment on such release or announcement in advance of such issuance. Seller hereby acknowledges that Buyer will be required to file this Agreement with the Securities and Exchange Commission as "material contracts" and agrees that it will not object to any such required filing.

Section 8.04 Reasonable Best Efforts. Subject to the terms and conditions of this Agreement (including the provisions set forth in Section 8.01 and Section 8.05), each party shall use its reasonable best efforts to cause the Closing to occur. Without limiting the foregoing or the provisions set forth in Section 8.05, Buyer and Seller shall use its respective reasonable best efforts to cause the Closing to occur as promptly as practicable after the date hereof.

Section 8.05 Antitrust Matters. Each of Seller and Buyer shall as promptly as practicable, but in no event later than five (5) Business Days following the execution and delivery of this Agreement, file with the United States Federal Trade Commission (the "FTC") and the United States Department of Justice (the "DOJ") the notification and report form, if any, required for the transactions contemplated by this Agreement and the Other Transaction Documents. Each of Buyer and Seller shall furnish to the other such necessary information and reasonable assistance as the other may request in connection with its preparation of any filing or submission that is necessary under the HSR Act. Seller and Buyer shall keep each other apprised of the status of any communications with, and any inquiries or requests for additional information from, the FTC and the DOJ and shall comply with any such inquiry or request as promptly as practicable. Each of Seller and Buyer shall use its reasonable best efforts to obtain any clearance required by, and cause the expiration or termination of any applicable waiting period under, the HSR Act for the purchase and sale of the Interest as soon as practicable. Neither Seller nor Buyer will extend any waiting period under the HSR Act or enter into any agreement with any Governmental Entity not to consummate the transactions contemplated by this Agreement and the Other Transaction Documents, except with the prior written consent of the other party hereto. Notwithstanding anything to the contrary herein, and without limitation of the foregoing, if any objections are asserted under the HSR Act or any other U.S. or foreign antitrust, merger control or competition law, or any administrative or judicial action or proceeding, including any proceeding by a private party, is instituted (or threatened to be instituted) challenging any transaction contemplated by this Agreement or any of the Other Transaction Documents as violative of the HSR Act or any other U.S. or foreign antitrust, merger control or competition law, each of Seller and Buyer shall cooperate in all respects with each other and Buyer shall take reasonable best efforts to contest and resist any such action or proceeding and to have vacated, lifted, reversed or overturned any decree, judgment, injunction or other order, whether temporary, preliminary or permanent, that is in effect and that prohibits, prevents or restricts consummation of the transactions contemplated by this Agreement. Notwithstanding anything herein to the contrary, nothing in this Agreement requires or shall be deemed to require Buyer to propose, negotiate, agree or commit to transfer or hold separate or dispose of asses or businesses if such actions would result in, or would be reasonably likely to result in, either individually or in the aggregate, a material adverse effect on the Company and the Company Subsidiaries, taken as a whole.

Section 8.06 Records. (a) As soon as practicable on or after the Closing Date, Seller shall deliver or cause to be delivered to Buyer all material original agreements, documents, books, records and files, including records and files stored on computer disks or tapes or any other storage medium (collectively, "Records"), if any, in the possession of Seller and its subsidiaries (other than the Company and the Company Subsidiaries) relating to the business and operations of the Company and the Company Subsidiaries to the extent not then in the possession of the Company and the Company Subsidiaries, subject to the following exceptions:

(i) Buyer recognizes that certain Records may contain incidental information relating to the Company and the Company Subsidiaries or may relate primarily to subsidiaries or divisions of Seller other than the Company and the Company Subsidiaries and that Seller may retain such Records and shall provide copies of the relevant portions thereof to Buyer;

(ii) Seller may retain all Records prepared in connection with the sale of the Interest, including bids received from other parties and analyses relating to the Company and the Company Subsidiaries;

(iii) Seller may retain any Tax Returns of the Company or any Company Subsidiary relating to Pre-Closing Tax Periods, and Buyer shall be provided with copies of such retained Tax Returns to the extent that they relate solely to the separate Tax Returns or Tax liability of the Company or Company Subsidiaries; and

(iv) Seller may retain all Records related to the Specified Litigation.

(b) After the Closing, upon reasonable written notice, Buyer and Seller agree to furnish or cause to be furnished to each other and their representatives, employees, counsel and accountants access, during normal business hours, to such information (including Records pertinent to the Company and the Company Subsidiaries) and assistance relating to the Company and the Company Subsidiaries as is reasonably necessary for financial reporting and accounting matters, the preparation and filing of any Tax Returns, reports or forms or the defense of any Tax claim or assessment; provided, however, that such access does not unreasonably disrupt the normal operations of Seller, Buyer, the Company or any of the Company Subsidiaries.

Section 8.07 Services. Buyer acknowledges that Seller and its Affiliates currently provide the Company and the Company Subsidiaries with certain support services including payroll, legal, tax and benefit plan administration and any other service listed in Section 4.18 of the Seller Disclosure Schedule (the "Support Services"). The Support Services also include the services to be provided by Seller to Buyer and the Company under the applicable TSA. Buyer acknowledges that, except for services to be provided by Seller to Buyer and the Company under the applicable TSA, all Support Services will be terminated as of the Closing Date.

Section 8.08 Financing.

(a) Prior to the Closing, Seller shall, and shall cause the Company and the Company Subsidiaries to, provide, and shall use its reasonable best efforts to cause their respective Affiliates, officers, directors, employees, stockholders, agents and other Representatives (including legal, financial and accounting advisors) to provide, all cooperation reasonably requested by Buyer and the Financing Sources in connection with the arrangement of the Debt Financing, including (i) other than with respect to the executive management of Seller, participating in a reasonable number of meetings, presentations, due diligence sessions and sessions with rating agencies at times and locations mutually agreed and reasonably coordinated in advance thereof (but excluding road shows and similar presentations to investors), (ii) assisting with the preparation of materials for rating agency presentations, offering and syndication documents (including prospectuses, offering memoranda, lender and investor presentations, bank information memoranda, lender and investor presentations, bank information

memoranda and similar documents), business, projections and other marketing documents required in connection with the Debt Financing (all such documents and materials, collectively the "Offering Documents"), identifying any portion of any information provided by on or behalf of Seller, the Company or the Company Subsidiaries contained in any Offering Documents that constitutes material nonpublic information, and executing and delivering customary authorization and customary representation and warranty letters with respect to information provided by or on behalf of Seller, the Company or the Company Subsidiaries, (iii) promptly furnishing to Buyer and any actual and potential Financing Sources with the Required Information and such other information regarding the Company and the Company Subsidiaries as may be reasonably requested by Buyer or the Financing Sources, (iv) prior to the Closing Date, furnishing all documentation and other information about the Company and the Company Subsidiaries required by any governmental authority under applicable "know your customer" and anti-money laundering rules and regulations, including the U.S.A. PATRIOT Act of 2001 as shall have been requested by Buyer prior to the Closing Date and within the time period set forth in paragraph 10 of Exhibit C of the Debt Financing Commitment and are required to satisfy such paragraph, (v) arranging for, as reasonably necessary, customary payoff letters, Lien terminations and instruments of discharge and all other actions necessary to effect the repayment in full or termination and discharge of any indebtedness or guarantees of the Company and the Company Subsidiaries to be paid off, terminated or discharged on or prior to the Closing Date or to otherwise reflect the release of all Liens on or with respect to the Interest and the Assets of the Company and the Company Subsidiaries, provided that any such obligations and releases of Liens contained in all such agreements and documents shall be subject to the occurrence of the Closing, (vi) facilitating the providing of guarantees by, and the granting of security interests (and perfection thereof) in the Interest, the equity interests of the Company Subsidiaries and the Assets of, the Company and the Company Subsidiaries (including delivery substantially concurrently with the Closing of all stock certificates (as applicable) representing equity interests in the Company and the Company Subsidiaries to the extent certificated); provided that the effectiveness of any such guarantees or grants of security interests (or delivery of stock certificates) shall be subject to the occurrence of the Closing, (vii) to the extent reasonably requested by Buyer, assisting in the review of any definitive documents and assisting in Buyer's preparation of any schedules thereto or any perfection certificate to the extent reflecting the Company and the Company Subsidiaries and each of their respective assets for the Debt Financing, and (viii) facilitating the consummation of the Debt Financing, including cooperating with Buyer so as to facilitate Buyer being able to satisfy the conditions precedent to the Debt Financing to the extent reasonably requested by Buyer and within the control of the Company and the Company Subsidiaries, and taking any reasonable corporate action, subject to the occurrence of the Closing, reasonably requested by Buyer to permit the execution and delivery of any definitive financing documents. The foregoing notwithstanding, (u) none of Seller, the Company or any of the Company Subsidiaries shall be required to take or permit the taking of any action to the extent it would (1) interfere unreasonably with the business or operations of the Seller, the Company or any of the Company Subsidiaries or (2) conflict with the organizational documents of the Company or any of the Company Subsidiaries or any Applicable Law, (v) the provision of access to or disclosure of information shall be subject to the limitations set forth in Section 5.01, (w) no person who is a director of the Company or any Company Subsidiary at any time prior to the Closing (a "Pre-Closing Director") shall be required to take any action to approve the Debt Financing and neither the Company nor any Company Subsidiary shall be

obligated to take any action that requires action or approval by any Pre-Closing Director of the Debt Financing, (x) no obligation of the Company or the Company Subsidiaries or any of their respective Affiliates, officers, directors, employees, stockholders, agents and other Representatives with respect to the Debt Financing shall be effective until the Closing (other than with respect to any authorization and representation and warranty letters described in clause (a)(ii) above), and (y) none of Seller, the Company or any of the Company Subsidiaries or any of their respective Affiliates, officers, directors, employees, stockholders, agents and representatives shall be required to pay any commitment or other similar fee, and (z) none of the Seller, the Company or any of the Company Subsidiaries or any of their respective Affiliates, officers, directors, employees, stockholders, agents and representatives shall be required to incur any other cost or expense except to the extent such cost or expense (i) is reimbursed by Buyer in connection with the Debt Financing prior to or at the Closing or (ii) solely in the case of the Company and the Company Subsidiaries, is contingent upon the Closing. Buyer shall, promptly upon request by Seller, reimburse the Company, the Company Subsidiaries and their respective Affiliates, officers, directors, employees, stockholders, agents and representatives for all reasonable and documented out-of-pocket costs incurred thereby in connection with such cooperation and shall indemnify and hold harmless the Company, the Company Subsidiaries and their respective Affiliates, officers, directors, employees, stockholders, agents and other Representatives for and against any and all losses suffered or incurred by them in connection with the arrangement of the Debt Financing and any information utilized in connection therewith, except for any losses (x) arising out of information furnished in connection with the Financing by or on behalf of Seller, the Company, the Company Subsidiaries or any of their respective Affiliates, officers, directors, employees, stockholders, agents and other Representatives or (y) that are the result of willful misconduct, gross negligence, fraud or intentional misrepresentation committed by or on behalf of Seller, the Company, the Company Subsidiaries or any of their respective Affiliates, officers, directors, employees, stockholders, agents and other Representatives in connection with this Agreement or the Transactions. All non-public or otherwise confidential information regarding Seller, the Company, the Company Subsidiaries and their respective Affiliates obtained by Buyer and its Affiliates, officers, directors, employees, stockholders, agents and representatives pursuant to this Section 8.08(a) shall be kept confidential in accordance with the Confidentiality Agreement.

(b) Buyer shall use its, and shall cause its Affiliates to use their, reasonable best efforts to arrange the Financing as promptly as practicable, on the terms and conditions described in the Financing Commitment (including any “market flex” provisions), including using reasonable best efforts to (i) maintain in effect the Debt Financing Commitment, negotiate and finalize definitive agreements with respect thereto on the terms and conditions contained therein or on other terms no less favorable to Buyer than those contained in the Debt Financing Commitment, (ii) satisfy on a timely basis (or obtain the waiver of) all conditions applicable to Buyer (or its Affiliates) in such definitive agreements that are within its control, (iii) comply in all material respects with its and their obligations under the Financing Commitment and consummate the Financing no later than the Closing Date, except to the extent Buyer has closed a public sale of equity securities on or prior to the Closing Date (a “Securities Offering”) and no longer needs the proceeds from the Financing Commitment and has sufficient funds to consummate the purchase of the Interest and the other transactions contemplated by this Agreement and the Other Transaction Documents upon the terms set forth herein and therein on the Closing Date and (iv) enforce (including through litigation) its and their rights under the Financing Commitment.

(c) In the event any portion of the Financing becomes unavailable on the terms and conditions contemplated in the Financing Commitment, Buyer shall promptly, and in any event within two (2) Business Days, notify Seller and shall use reasonable best efforts to arrange to obtain alternative financing from alternative sources in an amount sufficient to consummate the purchase of the Interest and the other transactions contemplated by this Agreement and the Other Transaction Documents upon the terms set forth herein and therein and otherwise on terms not less favorable than the terms and conditions set forth in the Debt Financing Commitment as promptly as practicable following the occurrence of such event. Buyer shall deliver to Seller true and complete copies of all agreements (including any fee letter (subject to customary redactions)) pursuant to which any such alternative source shall have committed to provide Buyer with all or any portion of the Financing. In the event any alternative financing source is required to be obtained, (i) any reference in this Agreement to the "Debt Financing" or "Financing" shall include the financing contemplated by the alternate source, (ii) any reference in this Agreement to the "Debt Financing Commitment" or "Financing Commitment" shall be deemed to include any commitment letter of the alternative financing source, (iii) any reference in this Agreement to "fee letter" shall be deemed to include any fee letter relating to the alternative financing source and (iv) any reference in this Agreement to the "Financing Sources" shall refer to the alternative financing sources. Buyer shall not agree to or permit any amendment, supplement or other modification of, or waive any of its rights under, the Financing Commitment or the definitive agreements relating to the Financing that would (A) add new conditions precedent or expand any of the conditions precedent set forth therein as in effect on the date of this Agreement (unless such new or expanded conditions precedent would not reasonably be expected to materially impair, materially delay or prevent the availability of all or a portion of the Financing), (B) reasonably be expected to materially impair, materially delay or prevent the availability of all or a portion of the Financing, (C) reduce the aggregate cash amount of the funding commitments under the Debt Financing Commitment in effect on the date of this Agreement to be funded on the Closing Date (except as set forth in any "flex provisions" in the Debt Financing Commitment and, to the extent resulting from an increase in the amount of fees to be paid or original issue discount, if any revolving facility or increased term loan is available to satisfy such amounts or original issue discount), or (D) otherwise adversely affect in any material respect the ability of Buyer to enforce its rights against the other parties to the Debt Financing Commitment or materially delay the Closing (collectively, the "Restricted Commitment Letter Amendments") (provided, that subject to the limitations set forth in this Section 8.08(c), Buyer may amend the Debt Financing Commitment to add lenders, lead arrangers, bookrunners, syndication agents or similar entities that have not executed the commitment letter as of the date of this Agreement (but not to make any other changes except as permitted under this Section 8.08(c), but only if the addition of such additional parties, individually or in the aggregate, would not result in the occurrence of a Restricted Commitment Letter Amendment). Buyer shall promptly deliver to Seller true, complete and correct copies of any amendment, modification or replacement of the Debt Financing Commitment. Buyer shall keep Seller reasonably apprised of material adverse developments relating to the Financing, including any material dispute or disagreement between or among any parties to the Debt Financing Commitment with respect to the obligation to fund the Financing or the amount of the Financing to be funded at Closing (but excluding, for the avoidance of doubt, any ordinary

course negotiations with respect to the terms of the Financing and/or the definitive documentation related thereto), including upon its becoming aware of any breach of the Debt Financing Commitment by any party thereto. For the avoidance of doubt, failure to obtain all or any portion of the Financing (or any alternative financing) shall not in and of itself relieve or alter the obligations of Buyer to consummate the purchase and sale of the Interest and the other transactions contemplated by this Agreement and the Other Transaction Documents upon the terms set forth herein and therein (such obligation being subject only to the satisfaction of the conditions set forth in Section 3.01(a)).

(d) In connection with any Securities Offering, the Seller agrees to cause the Company and the Company Subsidiaries to (i) provide reasonable cooperation to the Buyer in connection with the Securities Offering, including permitting the Buyer to include in the offering documents the financial statements referred to in Section 4.07 and Section 5.03 and other information about the Company and Company Subsidiaries typically included in public equity offering prospectuses (excluding any "Compensation Discussion and Analysis" or similar section) and (ii) use reasonable best efforts to assist Buyer in obtaining accountant's comfort letters as required for the Securities Offering, at Buyer's expense, and any consents required to include any financial statements in the offering materials for the Securities Offering or otherwise in the Buyer's SEC filings, at Buyer's expense. For the avoidance of doubt, failure to consummate a Securities Offering shall not in and of itself relieve or alter the obligations of Buyer to consummate the purchase and sale of the Interest and the other transactions contemplated by this Agreement and the Other Transaction Documents upon the terms set forth herein and therein (such obligation being subject only to the satisfaction of the conditions set forth in Section 3.01(a)).

Section 8.09 Certain Matters. Seller and Buyer agree to the provisions set forth on Section 8.09 of the Seller Disclosure Schedule.

Section 8.10 Confidentiality.

(a) Pre-Closing. Each of the parties acknowledges that the information being provided to it in connection with Transactions is subject to the terms of the Confidentiality Agreement, the terms of which are incorporated herein by reference; provided that the Confidentiality Agreement and this Section 8.10(a) will not prohibit any disclosure of information permitted by Section 8.08. Effective upon, and only upon, the Closing, the Confidentiality Agreement shall terminate with respect to information relating solely to the Company and the Company Subsidiaries; provided that Buyer acknowledges that any and all other information provided to it by or on behalf of Seller or Seller's Representatives concerning Seller and its Affiliates (other than the Company and the Company Subsidiaries) shall remain subject to the terms and conditions of the Confidentiality Agreement after the Closing Date.

(b) Post-Closing.

(i) Buyer acknowledges that, in the course of its and its Affiliates investigation of the Company, the Company Subsidiaries, the Business and the Assets owned by the Company and the Company Subsidiaries, Buyer and its Representatives have become aware of Seller Confidential

Information, and that its use of such Seller Confidential Information, or communication of such Seller Confidential Information to third parties, in each case, other than after the Closing and any Seller Confidential Information used in the Business, could be detrimental to Seller or its Affiliates. Buyer covenants that for the seven (7) year period following the Closing Date, it shall, and shall cause its Affiliates and Representatives to, maintain in confidence and not disclose or use such Seller Confidential Information without Seller's prior written consent. If Buyer or any of its Affiliates or Representatives are requested or required (as by subpoena, civil investigative demand or similar process) to disclose any such Seller Confidential Information, Buyer will promptly notify Seller in order to permit Seller to seek a protective order or take other appropriate action. In such circumstances, Buyer will participate in Seller's efforts to obtain a protective order or other reasonable assurance that confidential treatment will be accorded such Seller Confidential Information. If, in the absence of a protective order, Buyer or any of its Affiliates or Representatives are, in the opinion of Buyer's counsel, compelled as a matter of law to disclose such Seller Confidential Information, then Buyer or such Affiliate or Representative may disclose to the party compelling disclosure or as it orders only that part of such Seller Confidential Information as is required by Applicable Law to be disclosed and will use reasonable efforts to obtain confidential treatment therefor. Upon Seller's request, Buyer will return and cause its Affiliates and Representatives to return to Seller all such Seller Confidential Information provided by or on behalf of Seller and destroy all Seller Confidential Information prepared by Buyer or its Affiliates or Representatives.

(ii) Seller acknowledges that, in the course of Buyer's and its Affiliates investigation of the Company, the Company Subsidiaries, the Business and the Assets owned by the Company and the Company Subsidiaries and Seller's ownership of the Company and the Company Subsidiary, Seller and its Representatives have become aware of Buyer Confidential Information, and that its use of such Buyer Confidential Information, or communication of such Buyer Confidential Information to third parties could be detrimental to Buyer or its Affiliates. Seller covenants that for the seven (7) year period following the Closing Date, it shall, and shall cause its Affiliates and Representatives to, maintain in confidence and not disclose or use such Buyer Confidential Information without Buyer's prior written consent. If Seller or any of its Affiliates or Representatives are requested or required (as by subpoena, civil investigative demand or similar process) to disclose any such Buyer Confidential Information, Seller will promptly notify Buyer in order to permit Buyer to seek a protective order or take other appropriate action. In such circumstances, Seller will participate in Buyer's efforts to obtain a protective order or other reasonable assurance that confidential treatment will be accorded such Buyer Confidential Information. If, in the absence of a protective order, Seller or any of its Affiliates or Representatives are, in the opinion

of Seller's counsel, compelled as a matter of law to disclose such Buyer Confidential Information, then Seller or such Affiliate or Representative may disclose to the party compelling disclosure or as it orders only that part of such Buyer Confidential Information as is required by Applicable Law to be disclosed and will use reasonable efforts to obtain confidential treatment therefor. Upon Buyer's request, Seller will return and cause its Affiliates and Representatives to return to Buyer all such Buyer Confidential Information provided by or on behalf of Buyer and destroy all Buyer Confidential Information prepared by Seller or its Affiliates or Representatives. Notwithstanding anything herein to the contrary, Seller shall be permitted to disclose such information as is necessary in their reasonable assessment with respect to the Specified Litigation; provided, that prior to the disclosure of any Buyer Confidential Information in connection therewith, Seller shall, to the extent legally permissible, notify Buyer promptly so that Buyer may seek an appropriate protective order or take any other appropriate action.

Section 8.11 Non-solicitation.

(a) For the period commencing on the Closing Date and ending on the eighteen (18) month anniversary of the Closing Date (the "Restricted Period"), Seller shall not, and shall not permit any of its subsidiaries to, directly or indirectly, solicit for hire or hire any person who is or was employed by the Company or any of the Company Subsidiaries at Closing other than purely administrative personnel that are not in any managerial role, or solicit any such employee to leave such employment, except pursuant to a general solicitation which is not directed specifically to any such employees; provided, that nothing in this Section 8.11(a) shall prevent Seller or any of its subsidiaries from hiring (i) any employee whose employment has been terminated by Buyer, the Company or any Company Subsidiary or (ii) after six (6) months from the date of termination of employment, any employee whose employment has been terminated by the employee.

(b) This Section 8.11 shall cease to apply to any Person at such time as it is no longer a subsidiary of Seller and shall not apply to any person that purchases Assets, operations or a business from a Seller or its subsidiaries if such person is not a subsidiary of Seller after the consummation of such transaction.

(c) If a court of competent jurisdiction declares that any term or provision of this Section 8.11 is invalid or unenforceable, the parties hereto agree that the court making the determination of invalidity or unenforceability will have the power to and shall reduce the scope, duration, or area of the term or provision, to delete specific words or phrases, and/or to replace any invalid or unenforceable term or provision with a term or provision that is valid and enforceable and comes closest to expressing the intention of the invalid or unenforceable term or provision, and this Agreement will be enforceable as so modified.

Section 8.12 Post-Closing Receipts. If, after the Closing Date, either party or its Affiliates receives any funds belonging to another party or its Affiliates in accordance with the terms of any Transaction Document, the receiving party will, or will cause its Affiliates

to, promptly advise the other party or its applicable Affiliate, will segregate and hold such funds in trust for the benefit of the other party or its Affiliates and will promptly deliver such funds, together with any interest earned thereon, to an account or accounts designated in writing by such other party or its Affiliates.

Section 8.13 Insurance Coverage. From and after the Closing, the Company and the Company Subsidiaries shall cease to be insured by Seller's insurance policies or by any of its self-insurance programs and Seller shall retain all rights to control such insurance policies and self-insurance programs, including the right to exhaust, settle, release, commute, buy back or otherwise resolve disputes with respect to any of its insurance policies and self-insurance programs. The parties acknowledge that the Company and the Company Subsidiaries and the Business may be entitled to the benefit of coverage under the insurance policies made available through Seller as described on Section 8.13 of the Seller Disclosure Schedule to the extent such policies are in existence at the Closing (the "Retained Policies"), in each case with respect to acts, facts, circumstances or omissions occurring prior to the Closing ("Pre-Closing Occurrences"). For a period of twenty (20) months after the Closing, Buyer may report to Seller any and all Pre-Closing Occurrences arising in connection with the Company and the Company Subsidiaries or the Business to the applicable insurance providers to the extent permitted under the Retained Policies ("Retained Policy Claims"). Seller shall consider in good faith such Retained Policy Claims, and if in the good faith judgment of Seller the submission of such Retained Policy Claims would not be harmful to Seller or its subsidiaries or their businesses, Seller shall submit such Retained Policy Claims to the insurer; provided that, (a) Buyer shall be fully liable for all uninsured or self-insured amounts in respect of any Retained Policy Claims, and (b) Buyer agrees to reimburse Seller promptly upon request for all out-of-pocket costs or expenses incurred by Seller or any Affiliate of Seller in connection with making or pursuing any claim pursuant to this Section 8.13, including the costs of filing a claim and any deductibles, premium increases or other amounts that are or become payable by such other party or any Affiliate of such other party under the applicable insurance policies or self-insurance programs as a result of claims made pursuant to this Section 8.13 (such costs and expenses referred to in this clause (b), "Recovery Costs"). With respect to Pre-Closing Occurrences, Seller (with respect to the Retained Policies) shall be under no obligation to continue to maintain such Retained Policies if Seller determines in good faith that the interests of Seller, its subsidiaries and its businesses would be better served by not continuing such policies. Notwithstanding anything in this Section 8.13 to the contrary, this Section 8.13 shall be subject in all respects to the terms of Seller's insurance policies, and to the extent such insurance policies do not permit any of the matters described in this Section 8.13, then Seller shall be under no obligation to Buyer with respect to such matters.

ARTICLE IX

Employee and Related Matters

Section 9.01 Employee Benefits.

(a) Buyer agrees that it shall ensure that each employee of Seller, the Company or the Company Subsidiaries who continues employment with Buyer, the Company or any of their respective subsidiaries or affiliates after the Closing Date (a "Continuing Employee") shall be

provided with, for a period extending until the earlier of the termination of such Continuing Employee's employment with such entities or twelve (12) months following the Closing Date, with compensation and benefits (excluding equity awards) that are substantially, in the aggregate, equal to the compensation and benefits provided by Seller, the Company and the Company Subsidiaries to such Continuing Employee immediately prior to the date of this Agreement; provided that nothing herein shall preclude Buyer, the Company or Company Subsidiaries from changing the terms and conditions of employment (subject to the foregoing requirement to provide substantially equal compensation and benefits to each Continuing Employee for the period described above) or terminating the employment of any Continuing Employee at any time following the Closing Date. Notwithstanding the foregoing, nothing in this Agreement shall be interpreted as (i) prohibiting Buyer from converting the employee benefits offered to the Continuing Employees at any time during the aforementioned period to employee benefits offered by Buyer to comparably situated employees of Buyer and its affiliates, (ii) prohibiting the termination of any employee benefits being offered to the Continuing Employees by the Company or the Company Subsidiaries (if any) which are not being offered by Buyer to comparably situated employees of Buyer and its affiliates, or (iii) conferring, or intending to confer, on any employee of Seller, the Company or the Company Subsidiaries a right to continued employment with Buyer or any of its affiliates following the Closing. For clarity, Buyer has the right to modify or terminate the employment or terms of employment of any Continuing Employee, including the right to amend or terminate any employee benefits or compensation plan, program or arrangement, after the Closing Date (subject to the foregoing requirement to provide substantially equal compensation and benefits to each Continuing Employee for the period described above).

(b) Seller agrees to waive any non-competition, non-solicitation, and any other restrictive covenants as to any Continuing Employee as of the Closing Date.

(c) Buyer shall ensure that, as of the Closing Date, each Continuing Employee receives full credit (for all purposes, including eligibility to participate, vesting, vacation entitlement and severance benefits, but excluding benefit accrual) for service with Seller, the Company and the Company Subsidiaries (or predecessor employers to the extent Seller, the Company or any Company Subsidiary provides such past service credit under its employee benefit plans), to the extent adequately disclosed by Seller to Buyer on the date of this Agreement, under each of the comparable employee benefit plans, programs and policies of Buyer, the Company or the relevant subsidiary, as applicable, in which such Continuing Employee becomes a participant; provided, however, that no such service recognition shall result in any duplication of benefits. As of the Closing Date, Buyer shall, or shall cause the Company or relevant subsidiary to, credit to Continuing Employee the amount of vacation time that such employees had accrued under any applicable Company Benefit Plan as of the Closing Date. With respect to each health or welfare benefit plan maintained by Buyer, the Company or the relevant subsidiary for the benefit of any Continuing Employees, subject only to any required approval of the applicable insurance provider, if any, Buyer shall (i) cause to be waived any eligibility waiting periods, any evidence of insurability requirements and the application of any pre-existing condition limitations under such plan, and (ii) to the extent permitted by the plan, cause each Continuing Employee to be given credit under such plan for all amounts paid by such Continuing Employee under any similar Company Benefit Plan for the plan year that includes the Closing Date for purposes of applying deductibles, co-payments and out-of-pocket

maximums, to the extent adequately disclosed by Seller to Buyer on the date of this Agreement, as though such amounts had been paid in accordance with the terms and conditions of the applicable plan maintained by Buyer, the Company or the relevant subsidiary, as applicable, for the plan year in which the Closing Date occurs.

(d) Seller and its Affiliates (other than the Company and any of the Company Subsidiaries) shall be solely responsible for, and shall indemnify and hold Buyer and its Affiliates harmless from and against, any obligations or losses relating to provision of continuation coverage, and all related notices, under any group health plan maintained or formerly maintained by Seller or its Affiliates to or in respect of all current and former employees of the Company and the Company Subsidiaries, and their beneficiaries for whom a qualifying event occurs prior to, on or after the Closing Date, except that Buyer and its Affiliates shall be solely responsible for, and shall indemnify and hold Seller and its Affiliates harmless from and against, any obligations or losses relating to provision of continuation coverage, and all related notices, under any group health plan maintained or formerly maintained by Buyer or its Affiliates to or in respect of all Continuing Employees and their beneficiaries for whom a qualifying event occurs after the Closing Date. The terms "group health plan," "continuation coverage," and "qualifying event" are used herein with the meanings ascribed to them in Section 4980B of the Code and Sections 601 - 609 of ERISA.

(e) Seller shall take such action as is necessary to provide that all Continuing Employees who are participants in the Seller 401(k) Plan (the "Seller 401(k) Plan") have a fully vested and nonforfeitable interest in their entire respective account balances under such plan as of the Closing Date (regardless of their years of vesting credit under the Seller 401(k) Plan). On or prior to the Closing Date, with respect to all Company employees, Seller shall contribute all contributions to the Seller 401(k) Plan (i) which are required to be made through the last complete pay period prior to the Closing Date under the Seller 401(k) Plan, and (ii) which relate to service or employee salary deferral contributions through the last complete pay period prior to the Closing Date, whether or not required to be made on or prior to the Closing Date under the Seller 401(k) Plan.

(f) Except as set forth in Section 9.01(f) of the Seller Disclosure Schedule, Seller and its Affiliates (other than the Company and any Company Subsidiary) shall retain all liabilities with respect to the Company Benefit Plans, including for any claims made thereunder before, on or after the Closing Date and neither Buyer nor any of its Affiliates shall assume any such liabilities or have any obligation to contribute to, or adopt as a participating company in, any Company Benefit Plan. Seller and its Affiliates (other than the Company and any Company Subsidiary) shall indemnify and hold harmless Buyer, the Company and their respective Affiliates from and against, any and all Losses arising out of, or relating to, any Company Benefit Plan. No provision of this Agreement shall (i) create any third party beneficiary rights in any Continuing Employee, or any beneficiary or dependents thereof, or (ii) be construed as in any way modifying or amending the provisions of any Company Benefit Plan.

(g) In order to provide information to Buyer sufficient to enable it to be prepared to perform its obligations under this Section 9.01 beginning at the Closing, Seller agrees that between the date of the Agreement and the Closing it will cause its human resources personnel to confer with Buyer's personnel and provide information to Buyer relating to the Continuing Employees and their compensation and benefits as reasonably requested by Buyer.

Section 9.02 Assumption of Continuing Employee Equity Awards. Effective as of the Closing Date, each then non-vested, outstanding and unpaid award of "restricted stock units" held by a Continuing Employee (each, a "Seller RSU Award") shall terminate in accordance with its terms and Buyer shall grant each Continuing Employee an award of restricted stock units with respect to a number of shares of Buyer's common stock (rounded to the nearest whole share) equal to the product of the number of shares of Seller's common stock subject to such Seller RSU Award immediately prior to the Effective Time multiplied by the Equity Exchange Ratio. Such award shall be subject to terms and conditions provided under Buyer's applicable equity plan, with vesting over a four (4) year period commencing on the Effective Time. For purposes hereof, "Equity Exchange Ratio" means the quotient obtained by dividing (x) the volume weighted average trading price of Seller's common stock for the twenty (20) consecutive trading days ending on the trading day immediately preceding the Closing Date, by (y) the volume weighted average trading price of Buyer's common stock for the twenty (20) consecutive trading days ending on the trading day immediately preceding the Closing Date. Buyer agrees to file a registration statement on Form S-8 (or any successor form) with respect to the shares of Buyer common stock issuable with respect to the new awards granted by Buyer as provided in this Section 9.02 to the extent required under Applicable Law in order to register the shares of Buyer common stock issuable pursuant to such awards, and shall use commercially reasonable efforts to maintain the effectiveness of such registration statement for so long as such awards remain outstanding. As promptly as practicable following the date the date of this Agreement, Seller will deliver a list for each of the Seller RSU Awards referred to in this Section 9.02, the recipient, the number of Seller shares covered by the applicable Seller RSU Award and the portion that is unvested as of the date of this Agreement.

ARTICLE X

Further Assurances

Section 10.01 Further Assurances. From time to time, as and when requested by either party hereto, the other party shall execute and deliver, or cause to be executed and delivered, all such documents and instruments and shall take, or cause to be taken, all such further or other actions (subject to the provisions of Sections 8.01, 8.04 and 8.05), as such other party may reasonably deem necessary or desirable to consummate the transactions contemplated by this Agreement, but no such action will require any party to waive rights under this Agreement or any Other Transaction Documents.

ARTICLE XI

Indemnification

Section 11.01 Tax Indemnification.

(a) After the Closing, Seller shall indemnify Buyer and its Affiliates (including the Company and the Company Subsidiaries) and each of their respective officers, directors,

employees, stockholders, agents and representatives and hold them harmless from (i) all liability for Taxes of the Company and the Company Subsidiaries for the Pre-Closing Tax Period, (ii) any liability arising from any breach of any representation or warranty of Seller in Section 4.08 of this Agreement, and (iii) all liability for Taxes of any person as a result of Treasury Regulation § 1.1502-6 (or comparable provision under federal, state, local or foreign tax laws), as a transferee or successor, or by contract (other than a contract whose principal purpose does not relate to Taxes). Notwithstanding the foregoing, Seller shall not indemnify and hold harmless Buyer and its Affiliates, and each of their respective officers, directors, employees and agents, from any liability for Taxes attributable to any action taken after the Closing by Buyer, any of its Affiliates (including the Company and the Company Subsidiaries), or any transferee of Buyer or any of its Affiliates (other than any such action expressly required by Applicable Law or by this Agreement and any such action taken on the Closing Date in the ordinary course of business) (a "Buyer Tax Act") or attributable to a breach by Buyer of its obligations under this Agreement.

(b) After the Closing, Buyer shall, and shall cause the Company and the Company Subsidiaries to, indemnify Seller and its Affiliates and each of their respective officers, directors, employees, stockholders, agents and representatives and hold them harmless from (i) all liability for Taxes of or attributable to the Company and the Company Subsidiaries for any taxable period ending after the Closing Date (except to the extent of any Straddle Period, in which case Buyer's indemnity will cover only that portion of any such Taxes that are for the portion of any such Straddle Period that is after the Closing Date, (ii) all liability for Taxes in Section 12.04 of this Agreement, and (iii) all liability for Taxes attributable to a Buyer Tax Act or to a breach by Buyer of its obligations under this Agreement.

(c) In the case of any taxable period that includes (but does not end on) the Closing Date (a "Straddle Period"):

(i) real, personal and intangible property and other ad valorem Taxes ("Property Taxes") of the Company and the Company Subsidiaries allocable to the Pre-Closing Tax Period shall be equal to the amount of such Property Taxes for the entire Straddle Period multiplied by a fraction, the numerator of which is the number of days during the Straddle Period that are in the Pre-Closing Tax Period and the denominator of which is the number of days in the Straddle Period; and

(ii) the Taxes of the Company and the Company Subsidiaries (other than Property Taxes) allocable to the Pre-Closing Tax Period shall be computed as if such taxable period ended as of the close of business on the Closing Date.

Section 11.02 Survival. The representations, warranties, covenants and agreements made in this Agreement (in each case other than the representations and warranties relating to Taxes) shall survive the Closing solely for purposes of Section 11.03 , Section 11.04 and Section 15.04 and shall terminate at the close of business on the date that is sixteen (16) months after the Closing Date (but in no event past August 15, 2017), except that (a) the Seller Fundamental Representations and the Buyer Fundamental Representations shall terminate at the close of business on the date that is sixty (60) months after the Closing Date, (b) representations and warranties relating to Taxes shall terminate sixty (60) days after the expiration of the applicable statutes of limitations, (c) the covenants set forth in Sections 5.01, 5.03, 8.05 and 8.08 shall not survive the Closing, (d) all covenants relating to Taxes shall terminate sixty (60) days after the expiration of the applicable statute of limitations and (e) the covenants set forth in Article VII and Article VIII (other than the covenants set forth in Sections 8.05 and 8.08) (i) for which performance is required prior to or on the Closing shall survive until sixteen (16) months (but in no event past August 15, 2017) following the date on which such covenant is to be fully and finally performed and (ii) for which performance is required after the Closing shall survive until three (3) years following the date on which such covenant is to be fully and finally performed. Any claim for indemnification pursuant to this Article XI that is made in accordance with the requirements of this Article XI prior to the expiration of the applicable survival period set forth in this Section 11.02 with respect to such claim shall survive, subject to the limitations set forth in this Article XI, until such claim is finally resolved. Clause (iii) of Section 11.03(a) shall survive for three years after Closing.

Section 11.03 Other Indemnification by Seller.

(a) Subject to Section 11.03(b), except as relates to Taxes, for which the sole indemnification is provided in Section 11.01, Seller shall indemnify Buyer, its Affiliates (including the Company and the Company Subsidiaries) and each of their respective officers, directors, employees, stockholders, agents and representatives (collectively, the "Buyer Indemnified Parties") against and hold them harmless from all Losses suffered or incurred by any such Buyer Indemnified Party to the extent arising from (i) any breach of any representation or warranty of Seller contained in this Agreement (provided that for the purposes of the foregoing clause (i), qualifications as to "material", "materiality", "Material Adverse Effect" and similar qualifiers based on materiality contained in such representations or warranties shall not be given effect for purposes of calculating any Losses (but shall be given effect for purposes of determining whether a breach of such representations or warranties has occurred)), (ii) any breach of any covenant of Seller contained in this Agreement or (iii) the Restructuring Transactions.

(b) Seller shall not have any liability under Section 11.03(a)(i) above:

(i) unless the aggregate of all Losses relating thereto for which Seller would, but for this clause (i), be liable exceeds on a cumulative basis an amount equal to $3,000,000 (such amount, the "Deductible Amount"), and then only to the extent of any such excess; provided, however, that in no event shall the liability of Seller under Section 11.03(a)(i), together with the liability of Seller under Section 11.03(a)(iii), exceed an amount equal to $28,000,000 (such amount, the "Cap"); and provided, further, that the

limitations in this Section 11.03(b)(i) shall not apply to any Losses resulting from a breach of the representations and warranties made in Section 4.01 (Authority), 4.03 (The Interest), the first sentence of Section 4.04(a) (Organization), Section 4.05 (Interest of the Company), 4.06(a) (Company Subsidiaries) but only to the extent it relates to the Significant Company Subsidiaries and Section 4.22 (Brokers) (together, the "Seller Fundamental Representations"); or

(ii) for any Losses with respect to the Seller Fundamental Representations in an amount that would exceed an amount equal to the Purchase Price (such amount, the "Fundamental Representations Cap").

(c) No Losses under Section 11.03(a)(iii) are subject to the Deductible Amount; but Losses under Section 11.03(a)(iii), together with any Losses under Section 11.03(a)(i) (excluding the Seller Fundamental Representations), shall not exceed the Cap referred to above.

(d) No Losses under Section 11.03(a)(ii) are subject to the Deductible Amount; but Losses under Section11.03(a)(ii), together with any Losses with respect to Seller Fundamental Representations, shall not exceed the Fundamental Representations Cap referred to above.

Section 11.04 Other Indemnification by Buyer.

(a) Subject to Section 11.04(b), except as relates to Taxes, for which the sole indemnification is provided in Section 11.01, Buyer shall, and shall cause the Company and the Company Subsidiaries to, indemnify Seller, its Affiliates and each of their respective officers, directors, employees, stockholders, agents and representatives (collectively, the "Seller Indemnified Parties") against and hold them harmless from all Losses (including reasonable legal fees and expenses) suffered or incurred by any such indemnified party to the extent arising from (i) any breach of any representation or warranty of Buyer contained in this Agreement (provided that for the purposes of the foregoing clause (i), qualifications as to "material", "materiality", "Material Adverse Effect" and similar qualifiers based on materiality contained in such representations or warranties shall not be given effect for purposes of calculating any Losses (but shall be given effect for purposes of determining whether a breach of such representations or warranties has occurred)) or (ii) any breach of any covenant of Buyer contained in this Agreement.

(b) Buyer shall not have any liability under Section 11.04(a)(i) above:

(i) unless the aggregate of all Losses relating thereto for which Seller would, but for this clause (i), be liable exceeds on a cumulative basis an amount equal to the Deductible Amount, and then only to the extent of any such excess; provided, however, that in no event shall the liability of Buyer under Section 11.04(a)(i) exceed an amount equal to the Cap; and provided, further, that the limitations in this Section 11.04(b)(i) shall not apply to any Losses resulting from a breach of the representations and

warranties made in Sections 6.01 (Authority), 6.06 (Sufficiency of Funds), 6.07 (Brokers) or 6.09 (Solvency) (together, the "Buyer Fundamental Representations"); or

(ii) for Losses with respect to the Buyer Fundamental Representations in an amount that would exceed an amount equal to the Fundamental Representations Cap.

(c) No Losses under Section 11.04(a)(ii) shall be subject to the Deductible Amount; but Losses under Section 11.04(a)(ii), together with any Losses with respect to Buyer Fundamental Representations, shall not exceed the Fundamental Representations Cap referred to above.

Section 11.05 Limitations on Indemnification; Cooperation.

(a) Buyer and Seller shall cooperate with each other with respect to resolving any claim or liability with respect to which one party is obligated to indemnify the other party hereunder including by making commercially reasonable efforts to mitigate or resolve any such claim or liability.

(b) Each of Buyer and Seller acknowledges and agrees that, (i) other than the representations and warranties of Buyer or Seller specifically contained in this Agreement or the Other Transaction Documents, there are no representations or warranties of Buyer or Seller either expressed or implied with respect to the Transactions, the Company or the Company Subsidiaries or their respective Assets, liabilities and business, and neither Buyer nor Seller has relied on any representations or warranties other than those specifically set forth in this Agreement or the Other Transaction Documents and (ii) it shall have no claim or right to indemnification pursuant to Section 11.03 or Section 11.04 with respect to any information, documents or materials furnished by Buyer or Seller or any of its officers, directors, employees, agents or advisors to the other party, including any information, documents or material made available to a party in certain "data rooms", management presentations or any other form in expectation of the Transactions except as expressly set forth herein. Each of Buyer and Seller also acknowledges and agrees that in connection with the Transactions, it has received certain estimates, projections, forecasts and similar forward-looking statements relating to the future operating and financial performance of the other party (including, as to Seller, the Company and the Company Subsidiaries) and no representation or warranty is being made by or on behalf of either party with respect to such matters except as expressly set forth in this Agreement.

(c) No party shall have any right to indemnification under this Article XI with respect to any Losses to the extent (and only to the extent) such Losses (i) arise out of any action taken by or omitted to be taken by such party; (ii) arise solely out of changes after the Closing Date in Applicable Law or interpretations or applications thereof; or (iii) are duplicative of Losses that have previously been recovered hereunder. No indemnified party shall have any right to assert any claim against any indemnifying party with respect to any Loss, cause of action or other claim to the extent such Loss is a Loss, cause of action or claim with respect to which such indemnified party or any of its Affiliates has taken action (or caused action to be taken) with the primary intent of accelerating the time period in which such matter is asserted or payable in order to cause a claim to be made prior to the applicable expiration date set forth in Section 11.07.

(d) For purposes of this Agreement, "Losses" means all losses, damages, costs, expenses, and Liabilities actually suffered or incurred or paid (including reasonable attorneys' fees) including the reasonable costs of mitigation or pursuing recovery under third party indemnification agreements or insurance policies, but Losses will not include any punitive or consequential or special damages or Losses in the form of a diminution in value of the Business; provided that the foregoing shall not limit punitive, consequential or special damages or Losses in the form of a diminution in value of the Business required to be paid to a third party by order of a Governmental Entity. In no event shall either party have any Liability under this Agreement (including under this Article XI) for (a) any types of damages not included in the definition of "Losses" or (b) the amount that is a possible or Loss that the indemnified party believes may be asserted by a third party but has not yet been asserted by a third party.

Section 11.06 Losses Net of Insurance, etc. The amount of any Loss for which indemnification is provided under this Article XI shall be net of any amounts recovered by the indemnified party under insurance policies with respect to Loss. If any indemnified party or any of its Affiliates is at any time entitled to recover under an insurance policy any amount in respect of any matter giving rise to a Loss pursuant to the provisions of this Article XI, as applicable, the indemnified party shall (and shall cause its applicable Affiliates to) take commercially reasonable steps to pursue such recovery. If any indemnified parties recover any amounts in respect of Losses pursuant to the provisions of this Article XI under any insurance policy at any time after the indemnifying party has paid all or a portion of such Losses to such indemnified parties pursuant to the provisions of this Article XI, Buyer or Seller, as applicable, shall, or shall cause such indemnified party to, promptly (and in any event within five (5) Business Days after receipt) pay over to the indemnifying party the amount so received (to the extent previously paid by the indemnifying party) net of any costs of recovery not reimbursed by the Indemnifying Party. In no event shall recovery of any insurance proceeds or any failure by an indemnified party to seek recovery pursuant to any insurance policy be a condition to such indemnified party's right to indemnification pursuant to this Article XI. Any indemnity payment under this Agreement shall be treated as an adjustment to the Purchase Price for Tax purposes, unless a final determination (which shall include the execution of a Form 870 AD or successor form) with respect to the indemnified party or any of its Affiliates causes any such payment not to be treated as an adjustment to the Purchase Price for United States federal income Tax purposes.

Section 11.07 Termination of Indemnification. The obligations to indemnify and hold harmless a party hereto (a) pursuant to Section 11.01, shall terminate sixty (60) days after the applicable statutes of limitations with respect to the Tax liabilities in question expire (giving effect to any extension thereof) and (b) pursuant to Sections 11.03(a)(i) and (ii) and 11.04(a)(i) and (ii) shall terminate when the applicable representation or warranty or covenant terminates pursuant to Section 11.02; provided, however, that as to clauses (a) and (b) above such obligations to indemnify and hold harmless shall not terminate with respect to any item as to which the person to be indemnified or the related party thereto shall have, before the expiration of the applicable period, previously made a claim by delivering a notice of such claim (stating in reasonable detail the basis of such claim) to the indemnifying party.

Section 11.08 Procedures Relating to Indemnification for Third Party Claims.

(a) In order for a party (the "indemnified party") to be entitled to any indemnification provided for under this Agreement (other than indemnification for a Tax Claim under Section 11.01 which shall be governed by Section 11.10) in respect of, arising out of or involving a claim or demand made by a third party against the indemnified party (a "Third Party Claim"), such indemnified party must promptly notify the indemnifying party in writing (which notice shall describe in reasonable detail the events giving rise to such Third Party Claim), of the Third Party Claim; provided, however, that failure to give such notification shall not affect the indemnification provided hereunder except to the extent the indemnifying party is actually prejudiced by such failure (except that the indemnifying party shall not be liable for any expenses incurred during the period in which the indemnified party failed to give such notice). Thereafter, the indemnified party shall deliver to the indemnifying party, promptly after the indemnified party's receipt thereof, copies of all notices and documents (including court papers) received by the indemnified party relating to the Third Party Claim.

(b) If a Third Party Claim is made against an indemnified party, the indemnifying party shall be entitled to assume the defense thereof with counsel with sufficient competence in such matters selected by the indemnifying party reasonably satisfactory to the indemnified party so long as (i) the Third Party Claim principally involves money damages and does not principally seek an injunction or other equitable relief against the indemnified party and (ii) the Third Party Claim does not relate to or otherwise arise in connection with any criminal laws or regulatory enforcement action. Should the indemnifying party so elect to assume the defense of a Third Party Claim, the indemnifying party shall not be liable to the indemnified party for legal expenses subsequently incurred by the indemnified party in connection with the defense thereof. If the indemnifying party assumes such defense, the indemnified party shall have the right to participate in the defense thereof and to employ counsel (not reasonably objected to by the indemnifying party), at its own expense, separate from the counsel employed by the indemnifying party, it being understood that the indemnifying party shall control such defense. The indemnifying party shall be liable for the fees and expenses of counsel employed by the indemnified party for any period during which the indemnifying party has failed to assume the defense thereof.

(c) If the indemnifying party so elects to assume the defense of any Third Party Claim, (i) it shall pursue such defense until the Third Party Claim has been resolved and (ii) all of the indemnified parties shall cooperate with the indemnifying party at the indemnifying party's expense in the defense or prosecution thereof. Such cooperation shall include the retention and (upon the indemnifying party's request) the provision to the indemnifying party of records and information that are reasonably relevant to such Third Party Claim, and making employees available on a mutually convenient basis to provide additional information and explanation of any material provided hereunder. The indemnifying party shall be authorized to consent to a settlement of, or the entry of any judgment arising from, any Third Party Claim, subject to the prior written consent of the indemnified party, which consent shall not be unreasonably withheld, conditioned or delayed; provided, that such consent shall be deemed reasonably withheld if (A) such settlement requires a payment to be made to the counterparty in such Third Party Claim and does not provide that the indemnifying party agrees to pay such settlement (subject to the limitations set forth in this Article XI) or (B) such settlement or consent

results in the finding or admission of any violation of criminal laws or any other admission of criminal wrongdoing on the part of the indemnified party. Whether or not the indemnifying party shall have assumed the defense of a Third Party Claim, the indemnified party shall not admit any liability with respect to, or settle, compromise or discharge, such Third Party Claim without the indemnifying party's prior written consent, which consent shall not be unreasonably withheld, conditioned or delayed; provided, that such consent shall be deemed reasonably withheld if such settlement or consent results in the finding or admission of any violation of criminal laws or any other admission of criminal wrongdoing on the part of the indemnifying party.

(d) Notwithstanding anything to the contrary herein, this Article XI shall not address the Specified Litigation, and the Specified Litigation shall be exclusively governed by the Specified Agreement.

Section 11.09 Procedures Related to Indemnification for Other Claims (Other than Tax Claims under Section 11.01). In the event any indemnified party should have a claim against any indemnifying party under Section 11.03 or 11.04 that does not involve a Third Party Claim being asserted against or sought to be collected from such indemnified party, the indemnified party shall deliver notice of such claim with reasonable promptness to the indemnifying party. The failure by any indemnified party so to notify the indemnifying party shall not relieve the indemnifying party from any liability which it may have to such indemnified party under Section 11.03 or Section 11.04, except to the extent that the indemnifying party demonstrates that it has been prejudiced by such failure.

Section 11.10 Procedures Relating to Indemnification of Tax Claims.

(a) If a claim shall be made by any taxing authority, which, if successful might result in an indemnity payment to Buyer pursuant to Section 11.01 (a "Tax Claim") to the party receiving notice of such Tax Claim, such party shall promptly notify the other party of such Tax Claim in writing and in reasonable detail. If notice of a Tax Claim is not given to such other party within fifteen (15) days, such other party shall not be liable in respect of such Tax Claim to the extent that such other party's position is actually prejudiced as a result thereof. With respect to any Tax Claim relating to a taxable period that ends on or before the Closing Date, Seller shall control all proceedings taken in connection with such Tax Claim (including selection of counsel) and, without limiting the foregoing, may pursue or forego any and all administrative appeals, proceedings, hearings and conferences with any taxing authority with respect thereto, and may either pay the Tax claimed and sue for a refund where Applicable Law permits such refund suits or contest the Tax Claim in any permissible manner; provided, however, that with respect to any such Tax Claim that could potentially affect Tax liabilities of Buyer or the Company or the Company Subsidiaries for any Post-Closing Tax Period, Seller will keep Buyer informed of all material developments and events.

(b) With respect to any Tax Claim relating to a taxable period that ends after the Closing Date (including any Straddle Period), Buyer shall control all proceedings taken in connection with such Tax Claim (including selection of counsel) and, without limiting the foregoing, may pursue or forego any and all administrative appeals, proceedings, hearings and conferences with any taxing authority with respect thereto, and may either pay the Tax claimed

and sue for a refund where Applicable Law permits such refund suits or contest the Tax Claim in any permissible manner; provided, however, that with respect to any such Tax Claim that could potentially affect Tax liabilities of Seller or the Company or the Company Subsidiaries for any Pre-Closing Tax Period, Buyer will keep Seller informed of all material developments and events.

(c) Buyer and the Company and each of their respective Affiliates shall cooperate in contesting any Tax Claim, which cooperation shall include, without limitation, the retention and (upon request) the provision to the other party of records and information that are reasonably relevant to such Tax Claim, and making employees available on a mutually convenient basis to provide additional information or explanation of any material provided hereunder or to testify at proceedings relating to such Tax Claim.

Section 11.11 Exclusive Remedy. Except as otherwise expressly set forth in this Agreement, each of Buyer and Seller further acknowledges and agrees that, should the Closing occur, its sole and exclusive remedy with respect to any and all claims relating to this Agreement, the Transactions, the Company, the Company Subsidiaries and their respective Assets, liabilities and businesses (other than claims of, or causes of action arising from or fraud) shall be pursuant to the indemnification provisions set forth in this Article XI except that any claims arising under the TSAs and the License will be governed by the terms of those agreements and will not be subject to the provisions of this Article XI. In furtherance of the foregoing, each of Buyer and Seller hereby waives, from and after the Closing, to the fullest extent permitted under Applicable Law, any and all rights, claims and causes of action (other than claims of, or causes of action arising from, fraud) it or its Affiliates may have against the other party or its Affiliates arising under or based upon any federal, state, local or foreign statute, law, ordinance, rule or regulation or otherwise (except pursuant to the indemnification provisions set forth in this Article XI, the provisions of Article II and pursuant to the Mutual Release, TSAs and License).

ARTICLE XII

Tax Matters

Section 12.01 Responsibility for Preparation and Filing of Tax Returns and Amendments.

(a) Seller shall timely prepare and file all Tax Returns with respect to which the Company or Company Subsidiaries file a consolidated, combined or unitary Tax Return with Seller with respect to a Pre-Closing Tax Period that are required to be filed after the Closing Date. All other Tax Returns of the Company or Company Subsidiaries shall be prepared, or caused to be prepared, by Buyer.

(b) Buyer and its Affiliates shall not, without the prior written consent of Seller (which consent shall not be unreasonably withheld or delayed), amend any Tax Returns of the Company or any Company Subsidiary for any Pre-Closing Tax Period.

Section 12.02 Cooperation. Each of Seller, the Company and Buyer shall reasonably cooperate, and shall cause their respective Affiliates, officers, employees, agents, auditors and other Representatives reasonably to cooperate, in preparing and filing all Tax Returns, including maintaining and making available to each other all records necessary in connection with Taxes and in resolving all disputes and audits with respect to all taxable periods relating to Taxes. Buyer and Seller recognize that Seller and its Affiliates may need access, from time to time, after the Closing Date, to certain accounting and Tax records and information held by the Company and the Company Subsidiaries to the extent such records and information pertain to events occurring prior to the Closing Date; therefore, Buyer agrees, and agrees to cause the Company and the Company Subsidiaries, (a) to use their respective best efforts to properly retain and maintain such records until such time as Seller agrees that such retention and maintenance is no longer necessary, and (b) to allow Seller and its agents and Representatives (and agents or Representatives of any of its Affiliates), at times and dates mutually acceptable to the parties, to inspect, review and make copies of such records as Seller may deem necessary or appropriate from time to time, such activities to be conducted during normal business hours.

Section 12.03 Refunds and Credits. Any refunds or credits of Taxes of the Company or the Company Subsidiaries for any Pre-Closing Tax Period shall be for the account of Seller provided, however, that there will be no payment obligation under this Section 12.03 for any Tax refund or credit that results from a carryback or other use in a Pre-Closing Tax Period of a Tax item attributable to or arising in a Post-Closing Tax Period. Buyer shall cause the Company to forward to Seller any such refund within ten (10) days after the refund is received (or reimburse Seller for any such credit within ten (10) days after any such credit is applied against other Tax liability). Seller and Buyer shall treat any payments under the preceding sentence that Seller shall receive pursuant to this Section 12.03 as an adjustment to the gross purchase price as determined for federal income Tax purposes, except as otherwise required by Applicable Law.

Section 12.04 Transfer Taxes. All transfer, documentary, sales, use, value added, registration and other such Taxes (including all applicable real estate transfer or gains Taxes) and related fees (including any penalties, interest and additions to Tax) incurred in connection with this Agreement and the Transactions shall be paid fifty percent (50%) by Seller, on the one hand, and fifty percent (50%) by Buyer, on the other hand. Buyer shall file all appropriate Tax Returns as may be required with respect to such Taxes. Seller and Buyer shall cooperate in timely making all Tax Returns as may be required to be filed in the preceding sentence.

Section 12.05 Buyer Activity Post Closing. Buyer shall not, with respect to any Pre-Closing Tax Period, take a position with respect to Taxes of the Company or any of the Company Subsidiaries that would have the effect of shifting income to a Pre-Closing Tax Period unless, in each case, Seller shall have consented in writing to such action by Buyer. Buyer shall not file any elections under Section 338 of the Code.

Section 12.06 Allocation of Purchase Price. The gross purchase price as determined for U.S. federal income tax purposes shall be allocated among the shares of the Significant Company Subsidiaries and the other assets of the Company in a manner consistent with Section 1060 of the Code and the Treasury Regulations promulgated. Within sixty (60) days after the determination of the adjustments, if any, to the Purchase Price under this

Agreement, Buyer will provide to Seller its proposed allocation of the purchase price (the "Allocation"). Within thirty (30) days after the receipt of such Allocation, Seller will submit to Buyer in writing any proposed changes to such Allocation or shall indicate its concurrence therewith, which concurrence shall not be unreasonably withheld, conditioned or delayed (and in the event no such changes are proposed in writing to Buyer within such period of time, Seller will be deemed to have agreed to, and accepted, the Allocation). Buyer and Seller will endeavor in good faith to resolve any differences with respect to the Allocation within fifteen (15) days after Buyer's receipt of written notice of objection from Seller. Any unresolved disputes will be resolved by the Independent Accounting Firm, the costs of which shall be borne by Seller on the one hand and Buyer on the other hand in proportion to the percentage of the total dollar amount of the items submitted for dispute that are resolved in Buyer's or Seller's favor, respectively. The determination of the Independent Accounting Firm shall be binding on Buyer and Seller. All Tax Returns and reports filed by Buyer, the Company and the Company Subsidiaries will be prepared consistently with the Allocation. None of Buyer, the Company, the Company Subsidiaries or Seller shall take any position (whether in audits, Tax Returns or otherwise) that is inconsistent with the Allocation unless required to do so under Applicable Law pursuant to a determination (within the meaning of Section 1313(a) of the Code or analogous provisions of state, local or foreign Tax Law). Seller and Buyer agree that they will timely file Form 8594 (and any applicable state or local forms) by attaching such form to their respective timely filed U.S. federal income Tax Returns and otherwise in a manner reflecting the Allocation, and Seller and Buyer will cooperate with each other in connection with such preparation and filing. The parties shall further cooperate in updating the Allocation and Form 8594 (and any applicable state or local forms) with respect to any post-Closing adjustments to the purchase price as determined for U.S. federal income Tax purposes (including under Section 11.06).

Section 12.07 Tax Treatment of Payments. Except to the extent otherwise required by Applicable Law, Seller and Buyer shall treat any and all payments under this Article XII, Section 2.05, and Article XI as an adjustment to purchase price for Tax purposes.

ARTICLE XIII

Termination

Section 13.01 Termination. Anything contained herein to the contrary notwithstanding, this Agreement may be terminated and the Transactions abandoned at any time prior to the Closing Date:

(a) by mutual written consent of Seller and Buyer;

(b) by either party hereto, if the Closing does not occur on or prior to the date that is ninety (90) days after the date hereof (and if such ninetieth (90th) day is not a Business Day, then the next following Business Day) (the "End Date");

(c) by Buyer if any of the conditions set forth in Section 3.01 shall have become incapable of fulfillment by the End Date, and shall not have been waived by Buyer;

(d) by Seller if any of the conditions set forth in Section 3.02 shall have become incapable of fulfillment by the End Date, and shall not have been waived by Seller; or

(e) by Buyer pursuant to Section 8.09;

provided, however, that the party seeking termination pursuant to clause (b), (c), (d) or (e) is not in breach in any material respect of any of its representations, warranties, covenants or agreements contained in this Agreement.

Section 13.02 Consequences of Termination. In the event of termination by Seller or Buyer pursuant to Section 13.01, the party desiring to terminate this Agreement shall give written notice thereof to the other party and this Agreement shall be terminated, without further action by either party. If this Agreement is terminated as described in this Article XIII, this Agreement shall become void and of no further force or effect, except for the provisions of (a) Section 8.03 relating to publicity, (b) Section 15.03 relating to certain expenses, (c) Section 15.04 relating to the parties' rights to seek and obtain specific performance, and (d) this Article XIII. Nothing in this Article XIII shall be deemed to release either party from any liability for any willful and material breach by such party of the terms and provisions of this Agreement or to impair the right of either party to compel specific performance by the other party of its obligations under this Agreement.

ARTICLE XIV

Definitions; Rules of Construction

Section 14.01 Certain Defined Terms.

(a) Capitalized terms used in this Agreement (including in the recitals above and in the Seller Disclosure Schedule and Exhibits attached hereto) that are not defined herein (or in the relevant Schedule or Exhibit) have the meanings set forth below:

"Action" means any action, suit, arbitration or proceeding by or before any Governmental Entity.

"Affiliate" means, with respect to any specified person, any other person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified person; and for the purposes of this definition, "control" when used with respect to any specified person means the power to direct the management and policies of such person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

"Anti-Corruption Laws" means, collectively, any Applicable Law relating to corruption, bribery or similar actions of government officials or any other persons, including, but not limited to, the U.S. Foreign Corrupt Practices Act of 1977, as amended, any other applicable anti-corruption law, any applicable anti-money laundering or sanctions law or regulation, USA Patriot Act, and any rules and regulations issued under any of the foregoing.

"Applicable Law" means any applicable law (including common law), statute, constitution, treaty, ordinance, code, rule and regulation.

"Assets" means any asset or property, whether tangible or intangible, real or personal.

"Business" means the business conducted by the Company and the Company Subsidiaries as of the date hereof.

"Business Day" means any day that is not a Saturday, a Sunday or other day on which commercial banks in the States of Massachusetts or California are required or authorized by Applicable Law to be closed.

"Buyer Confidential Information" means (a) any information that is confidential, non-public, or proprietary about Buyer, its Affiliates (including, after the Closing, the Company and the Company Subsidiaries) and any of their businesses, operations, clients, customers, prospects, personnel, properties, processes and products, financial, technical, commercial and other information (regardless of the form or format of the information (written, verbal, electronic or otherwise) or the manner or media in or through which it is furnished to or otherwise obtained by Seller or its Affiliates or Representatives), and (b) all notes, analyses, compilations, studies or other material prepared by Seller, its Affiliates, or their Representatives derived from, reflecting or incorporating, in whole or in part, any such information provided or made available by Buyer or its Affiliates or by their Representatives. "Buyer Confidential Information" shall not include information that (x) is or becomes generally available to the public through no direct or indirect act or omission by Seller or any of its Affiliates or Representatives, or (y) is already available to, or is or becomes available on a non-confidential basis to, Seller or its Affiliates or Representatives from a source, other than Buyer or its Affiliates or Representatives, who is not prohibited from disclosing such portions to Seller or its Affiliates by any contractual, legal or fiduciary obligation.

"Cash" means cash, negotiable instruments, restricted cash, checks, money orders, marketable securities, short-term instruments and other cash equivalents, deposits with third parties (including landlords), funds in time and demand deposits or similar accounts and any evidence of Debt issued or guaranteed by any Governmental Entity.

"Certain Employees" has the meaning ascribed to such term on Section 14.01(a) of the Seller Disclosure Schedule.

"Closing Statements" means, collectively, the Estimated Working Capital Statement, the Proposed Working Capital Statement and the Final Working Capital Statement.

"Company Registered Intellectual Property" means all of the Registered Intellectual Property owned by, or filed in the name of, the Company or any Company Subsidiary, except for any items that are abandoned, withdrawn, cancelled, or expired.

"Company Software" means all Software included in the Owned Intellectual Property Rights.

"Confidentiality Agreement" means that certain Bilateral Confidentiality Agreement, dated as of November 5, 2015, by and between Seller and Buyer.

"Current Assets" means the categories of Assets which are classified as "Current Assets" under GAAP and as set forth in the Working Capital Schedule, to the extent owned by any Company or any Company Subsidiary as of the Effective Time, other than income taxes and cash.

"Credit Agreement" means the Credit Agreement, dated as of January 15, 2016, among the Seller and Morgan Stanley Senior Funding, Inc., as Administrative Agent and Collateral Agent, and the lenders named therein.

"Current Liabilities" means the categories of Liabilities which are classified as "Current Liabilities" under GAAP and as set forth in the Working Capital Schedule, to the extent they are a Liability of any Company or any Company Subsidiary as of the Effective Time, other than income taxes.

"Debt" means, without duplication, (a) financial indebtedness for borrowed money from third party lending sources, other than trade accounts payable and excluding Current Liabilities, (b) all obligations as an account party in respect of letters of credit, bankers acceptances and similar facilities to the extent drawn upon by the counterparty thereto and (b) any guaranty of any of the foregoing.

"Environmental Laws" means any and all Applicable Law in any such case entered into, issued, or promulgated in final form as of the Closing Date by any Governmental Entity, relating to the environment, human and worker health and safety as relates to exposure to Hazardous Substances, preservation or reclamation of natural resources, or to the treatment, handling, disposal, storage, management, labeling, registration, exposure to or Release of Hazardous Substances, including CERCLA, the Federal Water Pollution Control Act, the Clean Air Act of 1970, the Toxic Substances Control Act of 1976, the Emergency Planning and Community Right to Know Act of 1986, the Safe Drinking Water Act of 1974, the Hazardous Materials Transportation Act, and any similar or implementing state or local law, and all amendments thereto or regulations promulgated thereunder.

"Exchange Act" means the Securities Exchange Act of 1934, as amended.

"Estimated Closing Adjustment" means (a) the Estimated Closing Cash, *minus* (b) the Estimated Closing Debt Amount, *minus* (c) the Estimated Negative Working Capital Adjustment (if any), *plus* (d) the Estimated Positive Working Capital Adjustment (if any).

"Estimated Closing Cash" means Seller's good faith estimate of the Cash of the Company and the Company Subsidiaries as of the Effective Time as set forth on the Estimated Closing Statement.

"Estimated Closing Debt Amount" means Seller's good faith estimate of the Debt of the Company and the Company Subsidiaries as of the Effective Time as set forth on the Estimated Closing Statement, but excluding any Debt expected to be discharged by the Seller at or prior to the Closing.

"Estimated Closing Statement" means a written statement of Estimated Working Capital, the Estimated Closing Debt Amount and the Estimated Closing Cash prepared in accordance with Section 2.06.

"Estimated Negative Working Capital Adjustment" means the amount, if any, by which Target Working Capital exceeds Estimated Working Capital; provided, however, that if such amount is $500,000 or less then the Estimated Negative Net Working Capital Adjustment shall be $0.

"Estimated Positive Working Capital Adjustment" means the amount, if any, by which Estimated Working Capital exceeds Target Working Capital; provided however, that if such amount is $500,000 or less then the Estimated Positive Net Working Capital Adjustment shall be $0.

"Estimated Working Capital" means Seller's good faith estimate of Net Working Capital of the Business as of the Effective Time as set forth on the Estimated Closing Statement.

"Final Closing Adjustment" means (a) the Final Closing Cash, *minus* (b) the Final Closing Debt Amount, *minus* (c) the Final Negative Working Capital Adjustment (if any), *plus* (d) the Final Positive Working Capital Adjustment (if any).

"Final Closing Cash" means the calculation of the Cash of the Company and the Company Subsidiaries as of the Effective Time as finally determined pursuant to Section 2.04.

"Final Closing Debt Amount" means the calculation of the Debt of the Company and the Company Subsidiaries as of the Effective Time as finally determined pursuant to Section 2.04, but excluding any Debt discharged by the Seller at or prior to the Closing.

"Final Closing Statement" means a written statement prepared in accordance with Section 2.06 (a) setting forth Final Working Capital, the Final Closing Debt Amount, the Final Closing Cash, the Final Positive Working Capital Adjustment or Final Negative Working Capital Adjustment, as applicable, and (b) indicating any changes to the Estimated Closing Statement as finally determined pursuant to Section 2.04.

"Final Negative Adjustment" means the amount (if any) by which the Estimated Closing Adjustment exceeds the Final Closing Adjustment.

"Final Negative Working Capital Adjustment" means the amount (if any) by which Estimated Working Capital exceeds Final Working Capital; provided, however, that if such amount is $500,000 or less then the Final Negative Net Working Capital Adjustment shall be $0.

"Final Positive Adjustment" means the amount (if any) by which the Final Closing Adjustment exceeds the Estimated Closing Adjustment

"Final Positive Working Capital Adjustment" means the amount (if any) by which Final Working Capital exceeds Estimated Working Capital; provided, however, that if such amount is $500,000 or less then the Final Positive Net Working Capital Adjustment shall be $0.

"Final Working Capital" means the calculation of Net Working Capital of the Business as of the Effective Time as finally determined pursuant to Section 2.04.

"Financing Sources" means the persons that have committed to provide or have otherwise entered into agreements in connection with the Debt Financing or alternative debt financing of the transactions contemplated hereby, including the lenders party to the Debt Financing Commitment and any joinder agreements, credit agreements or indentures entered into pursuant thereto to relating thereto, together with their Affiliates and their and their Affiliates' former, current and future equityholders, controlling persons, directors, officers, employees, agents, members, managers, general or limited partners or assignees of such lenders and/or their respective successors and assigns.

"GAAP" means United States generally accepted accounting principles.

"Governmental Entity" means any entity or body exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to United States federal, state, local or municipal government, foreign, international, multinational or other government, including any department, commission, board, agency, bureau, subdivision, instrumentality, official or other regulatory, administrative or judicial authority thereof, and any arbitrator, including any authority or other quasi-governmental entity established by a Governmental Entity to perform any of such functions.

"Hazardous Substances" means any hazardous or toxic substance or waste that is regulated under or for which liability can be imposed pursuant to any Environmental Law.

"Incidental Inbound License" means any agreement entered into by the Company or a Company Subsidiary in which the only license to, or right to use, Intellectual Property Rights owned by third parties granted to the Company or a Company Subsidiary in such agreement that is merely incidental to the transaction contemplated in such agreement, the commercial purpose of which is something other than such license or right to use, such a sales or marketing agreement that includes an incidental license to use the third party's Intellectual Property Rights in advertising and selling the third party's products or services or otherwise performing under such agreement.

"Incidental Outbound License" means any agreement entered into by the Company or a Company Subsidiary in which the only license to, or right to use, Owned Intellectual Property Rights in such agreement is a non-exclusive license to, or right to use, Owned Intellectual Property Rights that is merely incidental to the transaction contemplated in such agreement, the commercial purpose of which is something other than such license or right to use, such as a sales or marketing agreement that includes an incidental license to use the Owned Intellectual Property Rights in advertising and selling the Company Products or otherwise performing under such agreement and which agreement does not involve any trade secrets or source code of the Company or any Company Subsidiary.

"Indenture" means the Indenture, dated as of January 15, 2016, among the Seller, the guarantors named therein and U.S. Bank National Association, as Trustee.

"Intellectual Property Rights" means all worldwide common law and statutory rights in, arising out of, or associated with the following: (a) United States and foreign patents, statutory invention registrations and utility models and applications therefor and all reissues, divisions, re-examinations, renewals, extensions, provisionals, continuations and continuations-in-part thereof and patentable inventions; (b) trade secrets, confidential information, know-how or other proprietary information; (c) copyrights, copyrights registrations and applications therefor, rights in mask works (as defined in 17 U.S.C. §901), and all rights in databases and data collections; all moral and economic rights of authors and inventors, however denominated, and all other rights corresponding thereto throughout the world; (d) industrial designs; (e) trade names, logos, common law trademarks and service marks, and related goodwill, and domain names and uniform resources locators; and (f) any similar or equivalent rights to any of the foregoing (as applicable).

"knowledge" means (a) with respect to Seller, the actual knowledge of Charles Leader, Karl Connell, Karen Kock, BJ Heggli, Harmick Thorosian, James Gallagher, Steve Litchfield, Mark Lin and David Goren ("Seller Knowledge Persons"); and (b) with respect to Buyer, the actual knowledge of Michael Ruppert, Gerald M. Haines II and James Dougherty ("Buyer Knowledge Persons").

"Liabilities" means any liability, Debt, commitment or obligation, whether known or unknown, fixed, absolute or contingent, matured or unmatured, accrued or unaccrued, liquidated or unliquidated, asserted or unasserted, due or to become due, whenever or however arising (including whether arising by operation of Applicable Law).

"License" means the License and Services Agreement, in substantially the form attached hereto as Exhibit A.

"Marketing Period" means the first period of twenty (20) consecutive Business Days after the date of this Agreement and throughout which (a) Buyer shall have received the Required Information, (b) no event has occurred nor do any conditions exist that would cause any of the conditions set forth in Sections 3.01(a), 3.01(b) or 3.01(e) to fail to be satisfied assuming that the Closing were to occur at any time during such twenty (20) consecutive Business Day period and (c) during the last three (3) consecutive Business Days of which the condition set forth in Section 3.01(c) has been satisfied or waived by Buyer; provided that the Marketing Period shall be deemed not to have commenced if, prior to the completion of such twenty (20) consecutive Business Day period, (i) the independent auditors withdraw their audit opinion with respect to financial statements included in the Audited Financial Statements, in which case the Marketing Period may not commence unless and until a new unqualified audit opinion is issued with respect to the consolidated financial statements of the Company for the applicable periods by the independent auditors or another independent public accounting firm of recognized national standing or (ii) Seller (solely to the extent such a restatement would change in any material respect the Required Information) or the Company determines and announces that it must restate the financial statements included in the Audited Financial Statements, in which case the Marketing Period may not commence unless and until such restatement has been completed or Seller or the Company have determined and announced that no such restatement is required in accordance with GAAP; provided, further, that in no event will the Marketing Period commence prior to March 28, 2016. For the avoidance of doubt, for purposes of this definition, clause (a)

above shall not be deemed to require the delivery of financial statements pursuant to clause (b)(2) of paragraph 5 of the Debt Financing Commitment, or the delivery of information necessary to permit the Buyer to satisfy the condition set forth in paragraph 6 of the Debt Financing Commitment, if the Marketing Period shall have already commenced based on previously received Required Information which satisfied the requirements of paragraph 5 and paragraph 6 of the Debt Financing Commitment.

"Material Adverse Effect" means, with respect the Company or any of the Company Subsidiaries, any change, effect, event, occurrence, state of facts or development that, individually or in the aggregate, has a material adverse effect on the business, operations, Assets, financial condition or results of operations of the Company and the Company Subsidiaries taken as a whole; provided, however, that none of the following shall be taken into account in determining whether there has been or will be a Material Adverse Effect: events, changes, effects, occurrences or developments relating to or arising or resulting from (i) changes in the United States or foreign economies in general (including securities, financial or credit markets of the United States or elsewhere in the world in general), (ii) legal, regulatory or political requirements or conditions in the United States or elsewhere in the world in general, (iii) the industry in which the Company and the Company Subsidiaries operate in general and the markets (including geographic, products and services segments) in which each of the Company and the Company Subsidiaries conducts its business, (iv) semiconductor industry (and/or segments thereof), (v) any changes in Applicable Law, GAAP or other accounting standards, (vi) any disruption to the operation of the Company, the Company Subsidiaries or the Business as a result of Seller's intention to sell the Interest to Buyer, (vii) hurricanes, tornadoes, earthquakes, tsunamis, floods, natural disasters, pandemics, acts of war, terrorism, or military actions, or any escalation or worsening thereof, (viii) the execution and delivery of this Agreement (including disclosure of the identity of Buyer and its Affiliates), or consummation of the transactions contemplated by this Agreement; (ix) events, changes or developments relating to or arising or resulting from the Transactions or the transactions contemplated by the Other Transaction Documents, the announcement or pendency of this Agreement or the Other Transaction Documents (including the loss of personnel, customers or suppliers); provided that in each case of the occurrences described clauses (i) through (vi) above do not have a material disproportionate impact on the Company and the Company Subsidiaries taken as a whole relative to other companies operating in the industry in which the Company and the Company Subsidiaries primarily operate.

"Material Customers" means the top ten (10) customers of the Business by revenue for the fiscal year ended September 27, 2015.

"Mutual Release" means the Mutual Release substantially in the form of Exhibit D.

"Net Working Capital" as of any date means (a) the Current Assets as of the Effective Time on such date, *minus* (b) the Current Liabilities as of the Effective Time on such date, in each case established in accordance with GAAP and the Working Capital Schedule. It is understood that Cash and Debt shall be adjusted pursuant to the separate Cash and Debt adjustments in Article II, and not through Net Working Capital.

"Open Source License" means any license meeting the Open Source Definition (as promulgated by the Open Source Initiative) or the Free Software Definition (as promulgated by the Free Software Foundation), or any substantially similar license, including without limitation, any license approved by the Open Source Initiate or any Creative Commons License. Open Source Licenses include, without limitation, "copyleft" licenses.

"Open Source Software" means any Software subject to an Open Source License.

"Order" means any order, judgment, injunction, temporary restraining order, decree, or award, by or with any Governmental Entity.

"Other Transaction Documents" means the Transaction Documents described in clause (i) of "Transaction Documents", other than this Agreement.

"Owned Intellectual Property Rights" means Intellectual Property Rights owned or purported to be owned by the Company or any of the Company Subsidiaries.

"Permit" means any authorization, consent, registration, license, permit or franchise, of or from any Governmental Entity, or to be filed with or delivered to, any person or pursuant to any Applicable Law.

"person" means any individual, firm, corporation, partnership, limited liability company, trust, joint venture, Governmental Entity or other entity.

"Proposed Closing Cash" means Buyer's good faith, proposed final calculation of the Cash of the Company and the Company Subsidiaries as of the Effective Time.

"Proposed Closing Debt Amount" means Buyer's good faith, proposed final calculation of the Debt of the Company and the Company Subsidiaries as of the Effective Time, but excluding any Debt discharged by the Seller at or prior to the Closing.

"Proposed Closing Statement" means: (a) a written statement prepared in accordance with Section 2.06 setting forth Proposed Working Capital, Proposed Closing Debt Amount and Proposed Closing Cash describing in reasonable detail any proposed changes to the Estimated Closing Statement and attaching supporting schedules, working papers and all other relevant details to enable a review by Buyer thereof; or (b) a written statement that Seller proposes no changes to the Estimated Closing Statement, as applicable.

"Proposed Working Capital" means Buyer's good faith, proposed final calculation of Net Working Capital of the Business as of the Effective Time.

"Registered Intellectual Property" means all United States, international and foreign: (i) patents and patent applications (including provisional applications); (ii) registered trademarks and applications to register trademarks; (iii) registered domain names; (iv) registered copyrights and applications for copyright registration; and (v) any other Intellectual Property Right that is the subject of an application, certificate, filing, registration or other document issued, filed with, or recorded by any Governmental Entity.

"<u>Release</u>" has the same meaning as set forth in Section 9601(22) of CERCLA.

"<u>Representative</u>" of a person means the directors, officers, employees, advisors, agents, consultants, attorneys, accountants, investment bankers or other representatives of such person.

"<u>Required Information</u>" means the financial statements set forth in paragraph 5 of Exhibit C of the Debt Financing Commitment and financial information regarding the Company and the Company Subsidiaries necessary to permit the Buyer to satisfy the condition set forth in paragraph 6 of Exhibit C of the Debt Financing Commitment (or any analogous section in any amendment, modification, supplement, restatement or replacement thereof to the extent not exceeding the scope of the requirements set forth in the Debt Financing Commitment in effect on the date hereof) and the any other information related to the Company and the Company Subsidiaries customarily delivered by a borrower and necessary for the preparation of a customary confidential information memorandum for a senior secured revolving and term loan A financing.

"<u>Restructuring Transactions</u>" means (i) the conversion of Microsemi Corp. - RF Integrated Solutions to Microsemi LLC - RF Integrated Solutions, (ii) the distribution by Microsemi LLC - RF Integrated Solutions of its interest in Microsemi Corp. - RFIS Diode Solutions to Seller and (iii) the contribution by Seller of Microsemi Corp. - Memory & Storage Solutions and Microsemi Corp. - Security Solutions to Microsemi LLC - RF Integrated Solutions.

"<u>Sample Closing Statement</u>" means the sample statement of Net Working Capital, Debt and Cash attached to this Agreement as <u>Exhibit E</u>.

"<u>Seller Confidential Information</u>" means: (a) any information that is confidential, non-public, or proprietary about Seller, its Affiliates (other than, after the Closing, the Company and the Company Subsidiaries) and any of their businesses, operations, clients, customers, prospects, personnel, properties, processes and products, financial, technical, commercial and other information (regardless of the form or format of the information (written, verbal, electronic or otherwise) or the manner or media in or through which it is furnished to or otherwise obtained by Buyer or its Affiliates or Representatives); and (b) all notes, analyses, compilations, studies or other material prepared by Buyer, its Affiliates, or their Representatives derived from, reflecting or incorporating, in whole or in part, any such information provided or made available by Seller or its Affiliates or by their Representatives. "Confidential Information" shall not include information that: (x) is or becomes generally available to the public through no direct or indirect act or omission by Buyer or any of its Affiliates or Representatives; or (y) is already available to, or is or becomes available on a non-confidential basis to, Buyer or its Affiliates or Representatives from a source, other than Seller or its Affiliates or Representatives, who is not prohibited from disclosing such portions to Buyer or its Affiliates by any contractual, legal or fiduciary obligation.

"<u>Significant Company Subsidiary</u>" means Microsemi Corp. - Memory and Storage Solutions, an Indiana corporation, and Microsemi Corp. - Security Solutions, a Delaware corporation.

“Software” means computer programs in either source code or object code form.

“Solvent”, when used with respect to any person, means that, as of any date of determination, (a) the amount of the “fair saleable value” of the assets of such person on a going concern basis will, as of such date, exceed (i) the value of all “liabilities of such person, including contingent and other liabilities” as of such date, as such quoted terms are generally determined in accordance with applicable federal laws governing determinations of the insolvency of debtors and (ii) the amount that will be required to pay the probable liabilities of such person on its existing debts (including contingent liabilities) as such debts become absolute and matured, (b) such person will not have, as of such date, an unreasonably small amount of capital for the operation of the businesses in which it is engaged or proposed to be engaged following such date and (c) such person will be able to pay its liabilities, including contingent and other liabilities, as they mature. For purposes of this definition, each of the phrases “not have an unreasonably small amount of capital for the operation of the businesses in which it is engaged or proposed to be engaged” and “able to pay its liabilities, including contingent and other liabilities, as they mature” means that such person will be able to generate enough cash from operations, asset dispositions or refinancing, or a combination thereof, to meet its obligations as they become due.

“Specified Agreement” has the meaning ascribed to such term on Section 4.13 of the Seller Disclosure Schedule.

“Specified Litigation” has the meaning ascribed to such term on Section 4.13 of the Seller Disclosure Schedule.

“Site” means any real properties currently or previously owned, leased, occupied or operated by: (a) the Company or any Company Subsidiaries; (b) any predecessors of the Company or any Company Subsidiaries; or (c) any entities previously owned by the Company or any Company Subsidiaries, in each case, including all soil, subsoil, surface waters and groundwater thereat.

“Target Working Capital” means $43,000,000.

“Transaction Documents” means (i) this Agreement, the TSAs, the License, the Mutual Release, the Specified Agreement and (ii) all other agreements, certificates, instruments, documents and writings delivered in connection with this Agreement.

“Transferred Employees” has the meaning ascribed to such term on Section 14.01(a) of the Seller Disclosure Schedule.

“TSAs” means the transition services agreements between Seller and Buyer in substantially the forms of Exhibits B and C attached hereto.

“Working Capital Schedule” means schedule of Net Working Capital included in the Sample Closing Statement.

(b) The following terms have the meanings given such terms in the Sections set forth below:

Term	Section
Agreement	Preamble
Allocation	Section 12.06
Audited Financial Statements	Section 4.07(a)
Balance Sheet	Section 4.07(a)
Bankruptcy and Equity Exception	Section 4.01
Base Purchase Price	Section 2.01(a)
Buyer	Preamble
Buyer Tax Act	Section 11.01(a)
Buyer Fundamental Representations	Section 11.04(b)(i)
Buyer Indemnified Parties	Section 11.03(a)
Buyer Knowledge Persons	Section 14.01(a)
CERCLA	Section 4.16(b)
Cap	Section 11.03(b)(i)
Closing	Section 1.02
Closing Date	Section 1.02
Closing Payment	Section 2.02
COBRA	Section 4.14(g)
Code	Section 4.08(a)(v)
Company	Recitals
Company Benefit Plans	Section 4.14(a)
Company Products	Section 4.20
Company Property	Section 4.10(a)
Company Subsidiary	Section 4.06(a)
Continuing Employee	Section 9.01(a)
Contracts	Section 4.12(b)
Current Representation	Section 15.12(a)
Debt Financing	Section 6.05
Debt Financing Commitment	Section 6.05
Deductible Amount	Section 11.03(b)(i)
Dispute Notice	Section 2.04(c)
DOJ	Section 8.05
Effective Time	Section 1.02
End Date	Section 13.01(b)
Environmental Permits	Section 4.16(b)
Equity Exchange Ratio	Section 9.02
ERISA	Section 4.14(a)
Excluded Employee	Section 5.06
Financial Statements	Section 4.07(a)
Financing	Section 6.05
Financing Commitment	Section 6.05
FTC	Section 8.05
Fundamental Representations Cap	Section 11.03(b)(ii)

HSR Act	Section 3.01(c)
Independent Accounting Firm	Section 2.04(d)
indemnified party	Section 11.08(a)
Initial Lenders	Section 6.05
Interest	Recitals
IRS	Section 4.14(d)
Leased Property	Section 4.10(a)
Leases	Section 4.10(a)
Liens	Section 4.02(a)
Losses	Section 11.05(d)
Named Products	Section 7.02
Names	Section 7.02
Offering Documents	Section 8.08(a)(ii)
OMM	Section 15.12(a)
Permitted Liens	Section 4.09(a)
Post-Closing Representation	Section 15.12(a)
Post-Closing Tax Period	Section 4.08(a)(iii)
Pre-Closing Director	Section 8.08(a)(w)
Pre-Closing Occurrences	Section 8.13
Pre-Closing Tax Period	Section 4.08(a)(ii)
Preparation Period	Section 2.04(a)
Property Taxes	Section 11.01(c)(i)
Purchase Price	Section 2.01
Records	Section 8.06(a)
Recovery Costs	Section 8.13
Replacement Contract	Section 8.01(a)
Required Third Party Consents	Section 8.01(b)
Resolution Period	Section 2.04(c)
Restricted Commitment Letter Amendments	Section 8.08(c)
Restricted Period	Section 8.11(a)
Retained Policies	Section 8.13
Retained Policy Claims	Section 8.13
Review Period	Section 2.04(b)
Securities Offering	Section 8.08(b)
Seller	Preamble
Seller 401(k) Plan	Section 9.01(e)
Seller Disclosure Schedule	Article IV
Seller Fundamental Representations	Section 11.03(b)(i)
Seller Indemnified Parties	Section 11.04(a)
Seller Knowledge Persons	Section 14.01(a)
Seller RSU Award	Section 9.02
Shared Contract Rights	Section 8.01(a)
Shared Contracts	Section 8.01(a)
Straddle Period	Section 11.01(c)
Support Services	Section 8.07
Systems	Section 4.11(g)

Tax	Section 4.08(a)(i)
Tax Claim	Section 11.10(a)
Tax Returns	Section 4.08(a)(v)
Taxes	Section 4.08(a)(i)
Third Party Claim	Section 11.08(a)
Threshold Amount	Section 11.03(b)(i)
Transactions	Section 3.01
Transferred Assets	Section 3.01(f)

Section 14.02 Construction.

(a) For purposes of this Agreement, whenever the context requires: the singular number shall include the plural, and vice versa; the masculine gender shall include the feminine and neuter genders; the feminine gender shall include the masculine and neuter genders; and the neuter gender shall include the masculine and feminine genders.

(b) Any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not be applied in the construction or interpretation of this Agreement.

(c) The words "include" and "including" and variations thereof, shall not be deemed to be terms of limitation, but rather shall be deemed to be followed by the words "without limitation."

(d) The table of contents and headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

(e) Whenever this Agreement requires the disclosure of an agreement on the Seller Disclosure Schedule or the delivery to Buyer of an agreement, that disclosure requirement or delivery requirement, as applicable, shall also require the disclosure or delivery of each and every amendment, extension, exhibit, attachment, schedule, addendum, appendix, statement of work, change order, and any other similar instrument or document relating to that agreement.

ARTICLE XV

Miscellaneous

Section 15.01 Assignment. This Agreement will be binding upon and inure to the benefit of and be enforceable by the respective successors and permitted assigns of the parties. The rights and obligations hereunder shall not be assignable or transferable by Buyer or Seller (including by operation of law in connection with a merger, or sale of substantially all the Assets, of Buyer or Seller) without the prior written consent of the other party hereto; provided, however, that no assignment shall limit or affect the assignor's obligations hereunder; and provided, further that, subject to the foregoing proviso, in connection with the Financing, Buyer may assign this Agreement as collateral security to any lender or an agent on behalf of a group of lenders. Any attempted assignment in violation of this Section 15.01 shall be void.

Section 15.02 No Third Party Beneficiaries. This Agreement and the Other Transaction Documents are for the sole benefit of the parties and their respective successors and

permitted assigns, and, except with respect to Buyer indemnified parties and Seller indemnified parties solely with respect to Article XI, the Financing Sources solely with respect to Section 15.01, this Section 15.02, Section 15.05, Section 15.13, Section 15.14, Section 15.15 and Section 15.16, or as expressly set forth in the applicable Transaction Document, nothing in the Transaction Documents shall create or be deemed to create any third party beneficiary rights in any person not a party to the Transaction Documents, including any Affiliates of either party.

Section 15.03 Expenses. Whether or not the purchase and sale of the Interest and the other transactions contemplated by this Agreement and the Other Transaction Documents are consummated, and except as otherwise specifically provided in this Agreement, all costs and expenses incurred in connection with this Agreement and the Transactions shall be paid by the party incurring such costs or expenses. Buyer shall be responsible for all fees and expenses in connection with any arrangements between Buyer and PricewaterhouseCoopers LLP whereby PricewaterhouseCoopers LLP in connection with any securities offerings and any customary "cold comfort" letters in such offerings.

Section 15.04 Specific Performance. The parties agree that irreparable damage would result and that the parties would not have any adequate remedy at law if any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached or threatened to be breached at or prior to the Closing. It is accordingly agreed that the parties shall be entitled to equitable relief, without the proof of actual damages, including in the form of an injunction or injunctions or orders for specific performance, in addition to all other remedies available to the parties at law or in equity as a remedy for any such breach or threatened breach. Each party agrees to (a) not raise any objections to the availability of equitable relief and (b) waive any requirement for the security or posting of any bond in connection with any such equitable remedy.

Section 15.05 Amendments. No amendment, modification or waiver in respect of this Agreement (including the Exhibits and Seller Disclosure Schedule) shall be effective unless it shall be in writing and signed by both parties hereto; provided that the consent of the Financing Sources shall be required to amend the rights of any Financing Source under Section 15.01, Section 15.02, this Section 15.05, Section 15.13, Section 15.14, Section 15.15 and Section 15.16.

Section 15.06 Waiver. At any time before the Closing, either Seller or Buyer may, in writing, (a) extend the time for the performance of any obligation or other acts of the other person, (b) waive any breaches or inaccuracies in the representations and warranties of the other person contained in this Agreement or in any document delivered pursuant to this Agreement, or (c) waive compliance with any covenant, agreement or condition contained in this Agreement but such waiver of compliance with any such covenant, agreement or condition shall not operate as a waiver of, or estoppel with respect to, any subsequent or other failure. No failure on the part of either party to exercise, and no delay in exercising, any right, power or remedy under any Transaction Document shall operate as a waiver thereof, nor shall any single or partial exercise of such right, power or remedy by such party preclude any other or further exercise thereof or the exercise of any other right, power or remedy.

Section 15.07 Notices. All notices or other communications required or permitted to be given hereunder shall be in writing and shall be delivered by hand or sent via e-mail or by prepaid telex, cable or telecopy or sent, postage prepaid, by registered, certified or express mail or reputable overnight courier service and shall be deemed given when so delivered by hand, sent via e-mail, telexed, cabled or telecopied, or if mailed, three (3) days after mailing (one (1) Business Day in the case of express mail or overnight courier service), as follows:

(a) if to Buyer,

Mercury Systems, Inc.
201 Riverneck Road
Chelmsford, Massachusetts 01824
Attention: Gerald M. Haines II
Executive Vice President, Chief Financial Officer and Treasurer
Facsimile: 978-256-0013
E-mail: ghaines@mrcy.com

with copies to:

Morgan, Lewis & Bockius LLP
One Federal Street,
Boston, MA 02110
Attention: John R. Utzschneider
Gitte J. Blanchet
Facsimile: (617) 341-7701
E-mail: john.utzschneider@morganlewis.com; and

(b) if to Seller,

Microsemi Corporation
One Enterprise,
Aliso Viejo, California 92656
Attention: Chief Executive Officer
Facsimile: Separately supplied
Email: Separately supplied

with a copy to:

O'Melveny & Myers LLP
2765 Sand Hill Road
Menlo Park, CA 94025
Attention: Warren Lazarow, Esq.
Paul Scrivano, Esq.
Facsimile: (650) 473-2601
E-mail: wlazarow@omm.com
pscrivano@omm.com

Section 15.08 Interpretation; Exhibits and the Seller Disclosure Schedule. The headings contained in this Agreement, in the Seller Disclosure Schedule, in any Exhibit or Schedule hereto and in the table of contents to this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement. Each Schedule of the Seller Disclosure Schedule shall be deemed to incorporate by reference all information disclosed in any other Schedule of the Seller Disclosure Schedule to the extent it is reasonably apparent that such information is relevant to such other Section or subsection, upon a reading of the disclosure that the disclosure of such matter is applicable to such Schedule of the Seller Disclosure Schedule. The Seller Disclosure Schedule and all Exhibits and Schedules annexed hereto or referred to herein are hereby incorporated in and made a part of this Agreement as if set forth in full herein. Each party has participated in the drafting of this Agreement and there shall be no presumption of construing ambiguity against the drafting person of this Agreement or any provision hereof. Any capitalized terms used in the Seller Disclosure Schedule or any Exhibit or Schedule annexed hereto but not otherwise defined therein, shall have the meaning as defined in this Agreement. As used in this Agreement, the word “or” shall not be exclusive. The word “will” shall be construed to have the same meaning as the word “shall”. The phrase “to the extent” shall mean the extent or degree to which a subject or thing extends, and shall not simply be construed to mean the word “if”.

Section 15.09 Counterparts. This Agreement may be executed in one or more counterparts, all of which shall be considered one and the same agreement, and shall become effective when one or more such counterparts have been signed by each of the parties and delivered to the other party. Delivery of an executed counterpart of a signature page to this Agreement by facsimile or scanned pages shall be effective as delivery of a manually executed counterpart to this Agreement.

Section 15.10 Entire Agreement. This Agreement (including the exhibits and schedules), the Other Transaction Documents and the Confidentiality Agreement contain the entire agreement and understanding between the parties hereto with respect to the subject matter hereof and supersede all prior agreements and understandings relating to such subject matter.

Section 15.11 Severability. If any provision of this Agreement (or any portion thereof) or the application of any such provision (or any portion thereof) to any person or circumstance shall be held invalid, illegal or unenforceable in any respect by a court of competent jurisdiction, such invalidity, illegality or unenforceability shall not affect any other provision hereof (or the remaining portion thereof) or the application of such provision to any other persons or circumstances. If the final judgment of a court of competent jurisdiction or other Governmental Entity declares that any term or provision hereof is invalid, illegal or unenforceable, the parties agree that the court making such determination will have the power to reduce the scope, duration, area or applicability of the term or provision, to delete specific words or phrases, or to replace any invalid, illegal or unenforceable term or provision with a term or provision that is valid, legal and enforceable and that comes closest to expressing the intention of the invalid, illegal or unenforceable term or provision.

Section 15.12 Waiver of Conflicts Regarding Representation; Non-Assertion of Attorney-Client Privilege.

(a) Buyer hereby waives and agrees not to assert, and agrees, after Closing, to cause the Company and each of the Company Subsidiaries to waive and to not assert, any conflict of interest arising out of or relating to the representation (the "Current Representation"), after the Closing (the "Post-Closing Representation"), of Seller or any of its Affiliates or any of their respective officers, directors or employees in any matter involving this Agreement or any other agreements or Transactions, by O'Melveny & Myers LLP ("OMM").

(b) Buyer hereby waives and agrees to not assert, and each agrees, after Closing, to cause the Company and each of the Company Subsidiaries to waive and to not assert, any attorney-client privilege with respect to any communication between OMM and Seller, its Affiliates, the Company, the Company Subsidiaries or any of their respective officers, directors or employees occurring during the Current Representation in connection with any Post-Closing Representation, including in connection with a dispute with Buyer, and after the Closing, with any of the Company or the Company Subsidiaries, it being the intention of the parties hereto that all such rights to such attorney-client privilege and to control such attorney-client privilege shall be retained by Seller; provided that the foregoing waiver and acknowledgement of retention shall not extend to any communication not involving this Agreement or any other agreements or Transactions, or to communications with any person other than such persons and their advisers.

Section 15.13 Consent to Jurisdiction. Each of the parties hereto hereby (a) expressly and irrevocably submits to the exclusive personal jurisdiction of the Delaware Court of Chancery and any state appellate court therefrom within the State of Delaware (or, if the Delaware Court of Chancery and any state appellate court therefrom declines to accept jurisdiction over a particular matter, any United States federal court located in the State of Delaware or any Delaware state court) in the event any dispute arises out of this Agreement or any of the Transactions, (b) agrees that it will not attempt to deny or defeat such personal jurisdiction by motion or other request for leave from any such court, and (c) agrees that it will not bring any action relating to this Agreement in any court other than the Delaware Court of Chancery and any state appellate court therefrom within the State of Delaware (or, if the Delaware Court of Chancery and any state appellate court therefrom declines to accept jurisdiction over a particular matter, any United States federal court located in the State of Delaware or any Delaware state court); provided, that each of the parties shall have the right to bring any action or proceeding for enforcement of a judgment entered any United States federal court located in the State of Delaware or any Delaware state court in any other court or jurisdiction. Each party irrevocably consents to the service of process outside the territorial jurisdiction of the courts referred to in this first paragraph of Section 15.13 in any such action or proceeding in connection with this Agreement or the Transactions by mailing copies thereof by registered United States mail, postage prepaid, return receipt requested, to its address as specified in or pursuant to Section 15.07. However, the foregoing shall not limit the right of a party to effect service of process on the other party by any other legally available method. Notwithstanding the foregoing provisions of this Section 15.13, Section 15.14, or Section 15.15, and without limiting the provisions of Section 15.16, each of the parties hereto (i) agrees that it will not, and will not permit its respective Affiliates to, bring or support any action, cause of action, claim, cross-claim or third-party claim of any kind or description, whether in law or in equity and whether in contract or in tort or otherwise, against the Financing Sources in any way related to this Agreement or any of the transactions contemplated by this Agreement (including any dispute arising out of or relating to the Financing or the performance thereof) in any forum

other than the United States District Court for the Southern District of New York or the Supreme Court of the State of New York, New York County, located in the Borough of Manhattan or, in either case, any appellate court thereof, (ii) agrees that any such action will be governed by the laws of the State of New York (except as otherwise set forth in the Commitment Letter), (iii) agrees to waive and hereby waives, irrevocably and unconditionally, any right to a trial by jury in any such action and (iv) agrees to waive and hereby waives, to the fullest extent permitted by law, any objection which such party may now or hereafter have to the laying of venue of, and the defense of an inconvenient forum to the maintenance of, any such action in any such court.

Section 15.14 Waiver of Jury Trial. EACH PARTY HERETO HEREBY WAIVES TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT (INCLUDING IN CONNECTION WITH THE DEBT FINANCING UNDER THE DEBT FINANCING COMMITMENT). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THAT FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT, BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 15.14.

Section 15.15 Governing Law. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE INTERNAL LAWS OF THE STATE OF DELAWARE, WITHOUT GIVING EFFECT TO ANY CHOICE OF LAW RULES THAT WOULD CAUSE THE APPLICATION OF LAWS OF ANY JURISDICTION OTHER THAN THOSE OF THE STATE OF DELAWARE. NOTWITHSTANDING THE FOREGOING, EACH OF THE PARTIES AGREES THAT THE INTERNAL LAWS OF THE STATE OF NEW YORK APPLICABLE TO AGREEMENTS MADE AND TO BE PERFORMED IN SUCH STATE SHALL APPLY TO ANY ACTION BROUGHT AGAINST THE FINANCING SOURCES.

Section 15.16 Liability of Financing Sources. Notwithstanding anything to the contrary contained herein, the Company, the Seller and its Affiliates each agrees that it will not have any rights or claims against any Financing Source (in their capacity as such) or any of their respective officers, directors, employees, agents, advisors and representatives in connection with this Agreement, the Financing or the transactions contemplated hereby or thereby, whether at law or in equity, in contract, tort or otherwise. Notwithstanding the foregoing, this Section 15.16 shall not prevent Seller from enforcing its rights under the Transaction Documents against Buyer so as to cause Buyer to enforce its rights under any of its agreements with any Financing Source.

[*Signature page follows.*]

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed as of the date first written above.

MICROSEMI CORPORATION

By /s/ John Hohener
Name: John Hohener
Title: CFO

MERCURY SYSTEMS, INC.

By /s/ Mark Aslett
Name: Mark Aslett
Title: President and Chief Executive Officer

EXHIBIT A

Form of License and Services Agreement

[See attached]

EXHIBIT B

Form of Buyer TSA

[See attached]

EXHIBIT C

Form of Seller TSA

[See attached]

<u>EXHIBIT D</u>

Form of Mutual Release

[See attached]

EXHIBIT E

Sample Closing Statement

[See attached]

Exhibit 10.2

Bank of America, N.A.
Merrill Lynch, Pierce, Fenner & Smith Incorporated
One Bryant Park
New York, New York 10036

Citibank, N.A.
399 Park Avenue
New York, NY 10022

KeyBank National Association
KeyBanc Capital Markets Inc.
127 Public Square
Cleveland, Ohio 44114

SunTrust Bank
SunTrust Robinson Humphrey, Inc.
3333 Peachtree Road Northeast
Atlanta, Georgia 30326

March 23, 2016

Mercury Systems, Inc.
201 Riverneck Road
Chelmsford, MA 01824
Attention: Gerald M. Haines II

Project Wild
Commitment Letter

Ladies and Gentlemen:

You have advised Bank of America, N.A. ("***Bank of America***") and Merrill Lynch, Pierce, Fenner & Smith Incorporated ("***MLPF&S***"), Citi (as defined below), KeyBank National Association ("***KeyBank***"), KeyBanc Capital Markets Inc. ("***KBCM***"), SunTrust Bank ("***SunTrust***") and SunTrust Robinson Humphrey, Inc. ("***STRH***" and collectively, with Bank of America, MLPF&S, Citi, KeyBank, KBCM and SunTrust, the "***Commitment Parties***", "***we***" or "***us***") that Mercury Systems, Inc. (the "***Company***" or "***you***") intends (i) to acquire (the "***Acquisition***"), directly or indirectly, all of the stock of the companies previously identified to us and code-named "Wild" (collectively, the "***Target***") pursuant to a stock purchase agreement with Microsemi Corporation (the "***Seller***") to be dated as of the date hereof (as amended in accordance with the terms of this Commitment Letter and in effect from time to time, the "***Acquisition Agreement***") entered into in connection therewith and (ii) to consummate the other transactions described in Exhibit A hereto. Capitalized terms used but not defined herein have the meanings assigned to them in the Exhibits attached hereto.

For purposes of this Commitment Letter, "***Citi***" shall mean Citibank, N.A. and/or any of its affiliates as it shall determine to be appropriate to provide the services contemplated herein (subject to confidentiality, assignment and other provisions hereof).

1. Commitments.

In connection with the Transactions, each of Bank of America, Citi, KeyBank and SunTrust (each, an "***Initial Lender***" and collectively, the "***Initial Lenders***") is pleased to advise you of its commitment to provide on a several, but not joint, basis the percentage of the entire principal amount of each of the Facilities (as defined in Exhibit A hereto) as set forth opposite such Initial Lender's name on Schedule 1 hereto (as such schedule may be amended or supplemented in accordance with this Commitment Letter), upon the terms and subject to the conditions set forth or referred to in this commitment letter (together with the Term Sheets (as defined in Exhibit A hereto), this "***Commitment Letter***").

2. Titles and Roles.

It is agreed that:

(a) MLPF&S, Citi, KBCM and STRH will act as joint lead arrangers (in such capacities, the "***Lead Arrangers***") and as joint lead bookrunners for each of the Facilities (as defined in Exhibit B hereto); and

(b) Bank of America will act as sole administrative agent (in such capacity, the "***Administrative Agent***") for the Facilities.

It is further agreed that MLPF&S will have "lead left" placement in any marketing materials or other documentation for the Facilities, and will hold the roles and responsibilities customarily understood to be associated with such name placement.

You agree that no other agents, co-agents, arrangers, bookrunners or managers will be appointed, no other titles will be awarded and no compensation (other than as expressly contemplated by this Commitment Letter and the Fee Letter dated as of the date hereof by and among us and you (the "***Fee Letter***") will be paid by you to any Lender in order to obtain its commitment in respect of the Facilities unless you and the Commitment Parties as of the date hereof shall so agree.

3. Syndication.

The Lead Arrangers reserve the right, prior to or after the execution of the Facilities Documentation (as defined in Exhibit A hereto), to syndicate all or a portion of the Initial Lenders' commitments hereunder to a group of banks, financial institutions and other institutional lenders identified by the Commitment Parties in consultation with you and subject to your consent (such consent not to be unreasonably withheld or delayed), including any relationship lenders designated by you in consultation with the Commitment Parties (together with the Initial Lenders, the "***Lenders***"); *provided* that, notwithstanding the Lead Arrangers' right to syndicate the Facilities and receive commitments with respect thereto, the Initial Lenders shall not assign all or any portion of their commitments hereunder until after the Closing Date (as defined in Exhibit A hereto), such syndication shall not relieve the Initial Lenders of their obligations set forth herein (including their obligations to fund the Facilities on the Closing Date on the terms and conditions set forth in this Commitment Letter) and, unless you agree in writing, each Initial Lender shall retain exclusive control over all rights and obligations with respect to its commitments, including all rights with respect to consents, modifications, waivers and amendments, until after the initial funding of the Facilities on the Closing Date has occurred. Notwithstanding the foregoing, the Commitment Parties will not syndicate, participate to or otherwise assign any portion of a commitment under the Facilities to those persons that are (i) identified in writing on or prior to the date hereof by you to us, (ii) competitors of you and/or your subsidiaries or the Target and/or their subsidiaries

that are identified in writing by you to us (or, after the Closing Date, to the Administrative Agent) from time to time or (iii) affiliates of such persons set forth in clauses (i) and (ii) above (in the case of affiliates of such persons set forth in clause (ii) above, other than bona fide fixed income investors or debt funds) that are either (a) identified in writing by you to us (or, after the Closing Date, to the Administrative Agent) from time to time or (b) clearly identifiable as an affiliate of such persons on the basis of such affiliate's name (the persons described in clauses (i) through (iii), collectively, the "***Disqualified Institutions***"); *provided* that, to the extent persons are identified as Disqualified Institutions in writing by you to us (or after the Closing Date, to the Administrative Agent) after the date hereof pursuant to clauses (ii) or (iii)(a), the inclusion of such persons as Disqualified Institutions shall not retroactively apply to prior assignments or participations.

The Lead Arrangers intend to commence syndication efforts promptly upon the execution of this Commitment Letter and the Fee Letter and as part of their syndication efforts, it is the Lead Arrangers' intent to have Lenders commit to the Facilities prior to the Closing Date (subject to the limitations set forth in the proviso to the first sentence of this Section 3). Until the date that is the earlier of (a) 60 days after the Closing Date and (b) the date on which the successful syndication (as defined in the Fee Letter) is achieved (such earlier date, the "***Syndication Date***"), you agree to actively assist the Lead Arrangers in completing a syndication that is reasonably satisfactory to them and you. Such assistance shall include (a) using your commercially reasonable efforts to ensure that any syndication efforts benefit from your existing lending and investment banking relationships, (b) facilitating direct contact between appropriate members of your senior management and the proposed Lenders at times and locations mutually agreed upon, (c) your assistance (and using commercially reasonable efforts to cause the Target to assist, subject to limitations on your rights set forth in the Acquisition Agreement) in the preparation of a customary confidential information memorandum (a "***Confidential Information Memorandum***") for the Facilities and other customary marketing materials reasonably requested to be used in connection with the syndication (such materials, together with such Confidential Information Memorandum and the Term Sheets, collectively, the "***Information Materials***"), by providing information and other customary materials reasonably requested in connection with such Information Materials, all subject to the limitation on your rights to request information concerning the Target as set forth in the Acquisition Agreement, and (d) the hosting, with the Lead Arrangers, of one or more meetings (or, if you and we shall agree, conference calls in lieu of any such meeting) of prospective Lenders (limited to one "bank meeting", unless otherwise deemed necessary in the reasonable judgment of the Lead Arrangers) at times and locations mutually agreed upon. You will ensure that prior to the Syndication Date, there will not be any competing issues of debt securities, or bank or other credit facilities of you or any of your subsidiaries, and, with respect to the Target and their subsidiaries, you will use commercially reasonable efforts to ensure that there will be no competing issues of debt securities, or bank or other credit facilities of the Target or any of its subsidiaries (but, for the avoidance of doubt, not extending to the Seller or any of its other subsidiaries), in each case being offered, placed or arranged that would materially impair the primary syndication of the Facilities (it being understood that (i) letters of credit, capital leases, purchase money indebtedness and equipment financings, in each case in the ordinary course of business of the Company and/or its subsidiaries and the Target and/or their subsidiaries, and (ii) any other indebtedness permitted to be incurred or outstanding under the Acquisition Agreement, shall, in either case, not be limited pursuant to this sentence), without the written consent of the Lead Arrangers (such consent not to be unreasonably withheld or delayed). For the avoidance of doubt, in connection with the foregoing requirements to provide assistance, you will not be required to provide any information to the extent that the provision thereof would violate any law, rule or regulation, or any obligation of confidentiality owing to a third party and binding you, the Target or your or its respective affiliates; *provided* that no such obligations of confidentiality shall be entered into in contemplation of this sentence and in the event you do not provide information in reliance on this sentence, you shall provide notice to us that such information is being withheld and you shall use your commercially reasonable efforts to obtain the relevant consents and to communicate, to the extent both feasible and permitted under applicable law,

rule, regulation or confidentiality obligation, the applicable information. Notwithstanding anything to the contrary contained in this Commitment Letter or the Fee Letter, (i) none of the foregoing shall constitute a condition to the commitments hereunder or the funding of the Facilities on the Closing Date and (ii) neither the commencement nor the completion of the syndication of the Facilities shall constitute a condition precedent to the Closing Date.

The Lead Arrangers will, in consultation with you, manage all aspects of any syndication, including decisions as to the selection of institutions to be approached, subject, in each case, to your consent (not to be unreasonably withheld or delayed) and excluding Disqualified Institutions, and when they will be approached, when their commitments will be accepted, which institutions will participate (with your consent, not to be unreasonably withheld or delayed and excluding Disqualified Institutions), the allocation of the commitments among the Lenders and the amount and distribution of fees among the Lenders.

4. Information.

You hereby represent and warrant (with respect to such information relating to the Target and their subsidiaries prior to the Closing Date, to your knowledge) that (a) all written information other than financial estimates, forecasts and other forward-looking information (collectively, the "***Projections***") and other than information of a general economic or general industry nature, that has been or will be made available to any of the Commitment Parties by you or any of your representatives on your behalf in connection with the transactions contemplated hereby (the "***Information***"), taken as a whole, does not or will not, when furnished, contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements contained therein not materially misleading in light of the circumstances under which such statements are made (after giving effect to all supplements and updates thereto) and (b) the Projections that have been or will be made available to the Lead Arrangers by you or any of your representatives on your behalf in connection with the transactions contemplated hereby have been or will be prepared in good faith based upon assumptions that are believed by you to be reasonable at the time furnished; it being understood that any such Projections are not to be viewed as facts, are subject to significant uncertainties and contingencies, many of which are beyond your control, that no assurance can be given that any particular Projections will be realized, that actual results may differ and that such differences may be material. You agree that, if at any time prior to the later of the Closing Date and the Syndication Date, you become aware that any of the representations and warranties in the preceding sentence would be incorrect in any material respect if the Information and Projections were being furnished, and such representations and warranties were being made, at such time, then you will (or you will use commercially reasonable efforts to prior to the Closing Date with respect to Information and Projections relating to the Target and their subsidiaries, subject to any applicable limitations on your rights as set forth in the Acquisition Agreement) promptly supplement the Information and the Projections from time to time until the later of the Closing Date and the Syndication Date so that (with respect to Information and Projections relating to the Target and their subsidiaries prior to the Closing Date, to your knowledge) such representations and warranties will be correct in all material respects under those circumstances. In arranging and syndicating the Facilities, the Lead Arrangers will be entitled to use and rely on the Information and the Projections without responsibility for independent verification thereof and do not assume responsibility for the accuracy or completeness of the Information or the Projections. For the avoidance of doubt, it is understood and agreed that the accuracy of the representations and warranties set forth in this paragraph shall not be a condition to the commitments hereunder or the funding of the Facilities on the Closing Date.

You hereby acknowledge that (a) we will make available the Information and the Projections to the proposed syndicate of Lenders by posting on IntraLinks, Debt X, SyndTrak Online or another similar electronic system and (b) certain of the Lenders are or may be "public side" Lenders (i.e., Lenders that do

not wish to receive material non-public information with respect to the Company, the Target, your or its subsidiaries or your or its respective securities) (each, a "***Public Lender***"). At the request of the Lead Arrangers, you agree to assist us in preparing an additional version of the Information Materials to be used by Public Lenders that consists exclusively of information and documentation that is either publicly available or not material with respect to the Company, the Target, their respective subsidiaries or their respective securities for purposes of United States federal and state securities laws (such information and documents, "***Public Lender Information***"). Any information and documentation that is not Public Lender Information is referred to herein as "***Private Lender Information***". It is understood that in connection with your assistance described above, a customary authorization letter will be included in each Confidential Information Memorandum that authorizes the distribution of the Information Materials to prospective Lenders (and contains customary "10b-5" representations) and, if applicable, confirms that the public-side version of the Information Materials only contains Public Lender Information, and each such Confidential Information Memorandum shall exculpate you, the Seller and your and its respective affiliates and us and our affiliates with respect to any liability related to the use or misuse of the contents of such Information Materials or any related marketing material by the recipients thereof. You acknowledge that the following documents contain solely Public Lender Information, unless, after having been given a reasonable opportunity to review such documents, you notify us promptly that any such document contains Private Lender Information: (i) term sheets and drafts and final definitive documentation with respect to the Facilities, (ii) administrative materials prepared by the Commitment Parties for prospective Lenders (such as a lender meeting invitation, allocations and funding and closing memoranda) and (iii) notification of changes in the terms of the Facilities. At our request, you shall identify that portion of the Information Materials to be distributed to Public Lenders by clearly and conspicuously marking the same as "PUBLIC" (it being understood that you shall not otherwise be under any obligation to mark Information Materials as "PUBLIC").

5. Fees.

As consideration for the commitments of the Initial Lenders hereunder and the Lead Arrangers' agreement to perform the services described herein, you agree to pay (or cause to be paid) the fees set forth in the Fee Letter on the terms and subject to the conditions (including as to timing and amount) set forth therein. Once paid, such fees shall not be refundable under any circumstances, except as otherwise contemplated herein or by the Fee Letter or as otherwise separately agreed to in writing by you and us.

6. Conditions Precedent.

The commitments of the Initial Lenders hereunder to fund the Facilities on the Closing Date and the Lead Arrangers' agreement to perform the services described herein are subject only to the applicable conditions set forth in Exhibit C hereto, and upon satisfaction (or waiver by the Commitment Parties) of such conditions, the initial funding of the Facilities shall occur; it being understood and agreed that there are no other conditions (implied or otherwise) to the commitments hereunder, including compliance with the terms of the Commitment Letter, the Fee Letter and the Facilities Documentation.

Notwithstanding anything in this Commitment Letter, the Fee Letter, the Facilities Documentation or any other letter agreement or other undertaking concerning the financing of the Transactions to the contrary, (i) the only representations and warranties the accuracy of which shall be a condition on the Closing Date shall be (A) such of the representations and warranties made by or with respect to the Target and their subsidiaries in the Acquisition Agreement as are material to the interests of the Initial Lenders, but only to the extent that you have (or your applicable affiliate has) the right (taking into account any applicable cure provisions), pursuant to the Acquisition Agreement, to terminate your (or its) obligations under the Acquisition Agreement to consummate the Acquisition (or the right not to consummate the Acquisition pursuant to the Acquisition Agreement) as a result of a breach of such

representations and warranties (the "***Specified Acquisition Agreement Representations***") and (B) the Specified Representations (as defined below) and (ii) the terms of the Facilities Documentation and the Closing Deliverables (as defined in Exhibit C hereto) shall be in a form such that they do not impair the initial funding under the Facilities on the Closing Date if the conditions expressly set forth in Exhibit C hereto are satisfied (or waived by the Lead Arrangers) (it being understood that, to the extent any security interest in any Collateral is not or cannot be provided and/or perfected (other than (A) a lien on Collateral that may be perfected by the filing of a financing statement under the Uniform Commercial Code ("***UCC***") or (B) a pledge of the equity interests of the Borrower's material wholly owned U.S. restricted subsidiaries (solely to the extent required in the Term Sheets) with respect to which a lien may be perfected upon closing by the delivery of a stock or equivalent certificate) to the extent required under the Term Sheets on the Closing Date after your use of commercially reasonable efforts to do so without undue burden or expense, then the provision and/or perfection of security interests in such Collateral shall not constitute a condition precedent to the initial funding of the Facilities on the Closing Date, but shall be required to be provided and/or perfected within 90 days after the Closing Date (subject to extensions by the Administrative Agent)). For purposes hereof, "***Specified Representations***" means the representations and warranties of the Borrower and the Guarantors set forth in the Facilities Documentation relating to corporate or other organizational existence of the Borrower and the Guarantors; organizational power and authority (as to execution, delivery and performance of the Facilities Documentation) of the Borrower and the Guarantors; the due authorization, execution, delivery and enforceability of the Facilities Documentation; solvency as of the Closing Date (after giving effect to the Transactions) of the Borrower and its restricted subsidiaries on a consolidated basis (such representation and warranty to be consistent with the solvency certificate in the form set forth in Annex I attached to Exhibit C hereto); no conflicts of Facilities Documentation (limited to the execution, delivery, and performance of the Facilities Documentation, incurrence of the indebtedness thereunder and the granting of the guarantees and the security interests in respect thereof) with organizational documents; the PATRIOT Act; use of proceeds of the Facilities not violating OFAC or FCPA; Federal Reserve margin regulations; the Investment Company Act; and the creation, validity and perfection of security interests in the Collateral to the extent required on the Closing Date (subject to permitted liens as set forth in the Facilities Documentation and the limitations set forth in the preceding provisions of this Section 6 and the Term Sheets). This paragraph and the provisions contained herein shall be referred to as the "***Certain Funds Provision***".

7. Indemnification; Expenses.

You agree (a) to indemnify and hold harmless each of the Commitment Parties, their respective affiliates and controlling persons and the respective officers, directors, members, partners, advisors, employees, agents and representatives of each of the foregoing and their successors and permitted assigns (each, an "***Indemnified Person***") from and against any and all losses, claims, damages, liabilities and out-of-pocket expenses, joint or several, to which any such Indemnified Person may become subject arising out of, resulting from or in connection with any actual or threatened claim, dispute, litigation, investigation or proceeding relating to this Commitment Letter, the Fee Letter, any aspect of the Transactions or the Facilities or the use of proceeds thereof (any of the foregoing, an "***Action***"), regardless of whether any such Indemnified Person is a party thereto, whether or not such Action is brought by you, your equity holders, affiliates, creditors or any other person, and to reimburse each such Indemnified Person within 30 days after receipt of a written request together with reasonably detailed backup documentation for any reasonable out-of-pocket legal (limited to one counsel for all Indemnified Persons taken as a whole and, if reasonably necessary, a single local counsel for all Indemnified Persons taken as a whole in each relevant jurisdiction and, solely in the case of a conflict of interest, one additional counsel in each relevant jurisdiction to the affected Indemnified Persons similarly situated taken as a whole) or other reasonable and documented out-of-pocket expenses incurred in connection with investigating, preparing to defend or defending, or providing evidence in or preparing to serve or serving as a witness with respect to, any of the foregoing; *provided* that the foregoing indemnity will not, as to

any Indemnified Person, apply to losses, claims, damages, liabilities or expenses (i) to the extent resulting from the willful misconduct, bad faith or gross negligence of such Indemnified Person or any of its Related Indemnified Persons (as defined below), (ii) to the extent resulting from a material breach of the obligations of such Indemnified Person or any of its Related Indemnified Persons under this Commitment Letter, the Fee Letter or the Facilities Documentation (in the case of each of the preceding clauses (i) and (ii), as determined by a court of competent jurisdiction in a final non-appealable judgment) or (iii) to the extent arising from any dispute solely among Indemnified Persons other than any claims against any Commitment Party in its capacity or in fulfilling its role as an Administrative Agent or arranger or any similar role under any Facility and other than any claims arising out of any act or omission on the part of you or your affiliates (as determined by a court of competent jurisdiction in a final non-appealable judgment), and (b) to reimburse the Commitment Parties and each of their respective affiliates from time to time, upon presentation of a summary statement, together with any supporting documentation reasonably requested by you, for all reasonable and documented out-of-pocket expenses (including but not limited to out-of-pocket expenses of the Commitment Parties' due diligence investigation, syndication expenses, travel expenses and reasonable fees, disbursements and other charges of one counsel to the Commitment Parties identified in the Term Sheets and, if necessary, of a single local counsel to the Commitment Parties in each relevant jurisdiction), in each case incurred in connection with the Facilities and the preparation of this Commitment Letter, the Fee Letter, the Facilities Documentation and any security arrangements in connection therewith (such expenses in this clause (b), collectively, the "***Expenses***"); *provided* that you shall not be required to reimburse any of the Expenses in the event the Closing Date does not occur. Notwithstanding any other provision of this Commitment Letter, (i) no Indemnified Person or any other party hereto shall be liable for any damages arising from the use by others of information or other materials obtained through electronic, telecommunications or other information transmission systems, except to the extent such damages are found in a final non-appealable judgment of a court of competent jurisdiction to have resulted from the willful misconduct, bad faith or gross negligence of such Indemnified Person, any Related Indemnified Person or such other party hereto, as applicable, and (ii) neither (x) any Indemnified Person or any of its Related Indemnified Persons, nor (y) you (or any of your subsidiaries or affiliates) or the Seller (or any of its subsidiaries or affiliates) shall be liable for any indirect, special, punitive or consequential damages (with respect to you in the case of this clause (y), other than pursuant to the indemnification provisions of this Commitment Letter in respect of any such damages incurred or paid by an Indemnified Person to a third party) in connection with this Commitment Letter, the Fee Letter, the Facilities, the Transactions (including the Facilities and the use of proceeds thereunder), or with respect to any activities related to the Facilities. You acknowledge that we may receive a benefit, including, without limitation, a discount, credit or other accommodation, from any of such counsel based on the fees such counsel may receive on account of their relationship with us, including, without limitation, fees paid pursuant hereto. You shall not be liable for any settlement of any Action effected without your prior written consent (which consent shall not be unreasonably withheld, conditioned or delayed), but if settled with your written consent or if there is a final non-appealable judgment by a court of competent jurisdiction against an Indemnified Person in any such Action, you agree to indemnify and hold harmless each Indemnified Person in the manner set forth above. You shall not, without the prior written consent of the affected Indemnified Person (which consent shall not be unreasonably withheld, conditioned or delayed), effect any settlement of any pending or threatened Action against such Indemnified Person in respect of which indemnity has been sought hereunder by such Indemnified Person unless such settlement (i) includes an unconditional release of such Indemnified Person in form and substance reasonably satisfactory to such Indemnified Person from all liability or claims that are the subject matter of such Action and (ii) does not include any statement as to any admission of fault or culpability of such Indemnified Person. Notwithstanding the foregoing, each Indemnified Person (and its Related Indemnified Persons) shall be obligated to refund and/or return promptly any and all amounts paid by you or on your behalf under this paragraph to such Indemnified Person (or its Related Indemnified Persons) for any such losses, claims, damages, liabilities and expenses to the extent such Indemnified Person (or its Related Indemnified Persons) is not entitled to payment of such amounts in accordance with the terms hereof.

For purposes hereof, a "***Related Indemnified Person***" of an Indemnified Person means (1) any controlling person or controlled affiliate of such Indemnified Person, (2) the respective directors, officers, or employees of such Indemnified Person or any of its controlling persons or controlled affiliates and (3) the respective agents or representatives of such Indemnified Person or any of its controlling persons or controlled affiliates, in the case of this clause (3), acting on behalf of or at the instructions of such Indemnified Person, controlling person or such controlled affiliate; *provided* that each reference to a controlled affiliate, director, officer or employee in this sentence pertains to a controlled affiliate, director, officer or employee involved in the negotiation or syndication of this Commitment Letter and the Facilities.

8. Sharing Information; Absence of Fiduciary Relationship; Affiliate Activities.

You acknowledge that the Commitment Parties and their affiliates may be providing debt financing, equity capital or other services (including without limitation investment banking and financial advisory services, securities trading, hedging, financing and brokerage activities and financial planning and benefits counseling) to other companies in respect of which you, the Seller or the Target may have conflicting interests. We will not furnish confidential information obtained from or on behalf of you or the Seller or Target by virtue of the transactions contemplated by this Commitment Letter or our other relationships with you, the Seller or the Target to other companies (except as contemplated below in Section 12). You also acknowledge that we do not have any obligation to use in connection with the transactions contemplated by this Commitment Letter, or to furnish to you or the Seller, confidential information obtained by us or any of our respective affiliates from other companies.

You further acknowledge and agree that (a) no fiduciary, advisory or agency relationship between you and your affiliates and the Commitment Parties and/or their affiliates is intended to be or has been created in respect of any of the transactions contemplated by this Commitment Letter, irrespective of whether the Commitment Parties have advised or are advising you on other matters, (b) the Commitment Parties, on the one hand, and you, on the other hand, have an arm's-length business relationship that does not directly or indirectly give rise to, nor do you rely on, any fiduciary duty on the part of the Commitment Parties and you waive, to the fullest extent permitted by law, any claims you may have against us for breach of fiduciary duty or alleged breach of fiduciary duty in connection with the Transactions and agree that we will have no liability (whether direct or indirect) to you in respect of such a fiduciary duty claim or to any person asserting a fiduciary duty claim on your behalf, including equity holders, employees or creditors, (c) you are capable of evaluating and understanding, and you understand and accept, the terms, risks and conditions of the transactions contemplated by this Commitment Letter, (d) you have been advised that the Commitment Parties and their affiliates are engaged in a broad range of transactions that may involve interests that differ from your and your affiliates' interests and that the Commitment Parties have no obligation to disclose such interests and transactions to you or your affiliates, (e) you have consulted your own legal, accounting, regulatory and tax advisors to the extent you have deemed appropriate and (f) each Commitment Party has been, is and will be acting solely as a principal and, except as otherwise expressly agreed in writing by the relevant parties, has not been, is not and will not be acting as an advisor, agent or fiduciary for you, any of your affiliates or any other person or entity. In addition, the Commitment Parties may employ the services of their respective affiliates in providing certain services hereunder and may exchange with such affiliates in connection therewith information concerning you and the Target, and such affiliates shall be entitled to the benefits afforded to, and be subject to the obligations of, the Commitment Parties under this Commitment Letter. You acknowledge and agree that we have not provided you with legal, tax or accounting advice and that you have obtained such independent advice from your own advisors, representatives and agents.

You further acknowledge that each Commitment Party and/or its affiliates is a full service securities firm engaged in securities trading and brokerage activities as well as providing investment banking and other financial services. In the ordinary course of business, each Commitment Party may provide investment banking and other financial services to, and/or acquire, hold or sell, for its own accounts and the accounts of customers, equity, debt and other securities and financial instruments (including bank loans and other obligations) of, the Company, the Seller and their respective subsidiaries and other companies with which the Company, the Seller or their respective subsidiaries may have commercial or other relationships. With respect to any securities and/or financial instruments so held by the Commitment Parties, their affiliates or any of their respective customers, all rights in respect of such securities and financial instruments, including any voting rights, will be exercised by the holder of the rights, in its sole discretion.

9. Assignments; Amendments; Governing Law, Etc.

This Commitment Letter and the commitments hereunder shall not be assignable by any party hereto without the prior written consent of each other party hereto (and any attempted assignment without such consent shall be null and void), is intended to be solely for the benefit of the parties hereto (and Indemnified Persons), is not intended to confer any benefits upon, or create any rights in favor of, any person other than the parties hereto (and Indemnified Persons) and is not intended to create a fiduciary relationship among the parties hereto. Subject to the limitations set forth in Section 3, any and all services to be provided by the Commitment Parties hereunder may be performed by or through any of their respective affiliates or branches. This Commitment Letter may not be amended or any provision hereof waived or modified except by an instrument in writing signed by the Commitment Parties and you. This Commitment Letter may be executed in any number of counterparts, each of which shall be an original and all of which, when taken together, shall constitute one agreement. Delivery of an executed counterpart of a signature page of this Commitment Letter by facsimile transmission or by ".pdf" or similar electronic transmission shall be effective as delivery of a manually executed counterpart hereof. Section headings used herein are for convenience of reference only, are not part of this Commitment Letter and are not to affect the construction of, or to be taken into consideration in interpreting, this Commitment Letter. This Commitment Letter, together with the Fee Letter, supersedes all prior understandings, whether written or oral, among us with respect to the Facilities and sets forth the entire understanding of the parties hereto with respect thereto. THIS COMMITMENT LETTER, AND ANY CLAIM, CONTROVERSY OR DISPUTE ARISING UNDER OR RELATED TO THIS COMMITMENT LETTER, SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK; *provided*, *however*, that (a) the interpretation of the definition of a Target Material Adverse Effect and whether there shall have occurred a Target Material Adverse Effect, (b) whether the Acquisition has been consummated as contemplated by the Acquisition Agreement and (c) whether as a result of any inaccuracy of a Specified Acquisition Agreement Representation you have the right to terminate your obligations under the Acquisition Agreement to consummate the Acquisition (or the right not to consummate the Acquisition pursuant to the Acquisition Agreement) shall, in each case, be determined pursuant to the Acquisition Agreement, which is governed by, and construed in accordance with the laws of, the State of Delaware without giving effect to any conflicts of laws principles, provisions or rules (whether of the State of Delaware or any other jurisdiction) that would result in the application of the laws of any jurisdiction other than the State of Delaware.

10. WAIVER OF JURY TRIAL.

EACH OF THE PARTIES HERETO IRREVOCABLY WAIVES THE RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING, CLAIM OR COUNTERCLAIM (WHETHER BASED UPON CONTRACT, TORT OR OTHERWISE) BROUGHT BY OR ON BEHALF OF ANY PARTY RELATED TO OR ARISING OUT OF THE ACQUISITION OR THIS COMMITMENT LETTER, THE FEE LETTER OR THE PERFORMANCE OF SERVICES HEREUNDER OR THEREUNDER.

11. Jurisdiction.

Each of the parties hereto hereby irrevocably and unconditionally (a) submits, for itself and its property, to the exclusive jurisdiction of any New York State court or Federal court of the United States of America, in each case, sitting in the Borough of Manhattan in the City of New York, and any appellate court from any thereof, as to any action or proceeding arising out of or relating to this Commitment Letter, the Fee Letter or the transactions contemplated hereby or thereby, or for recognition or enforcement of any judgment, and agrees that all claims in respect of any such action or proceeding shall be heard and determined in such New York State or, to the extent permitted by law, in such Federal court, (b) waives, to the fullest extent it may legally and effectively do so, 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 Commitment Letter, the Fee Letter or the transactions contemplated hereby or thereby in any court in which such venue may be laid in accordance with clause (a) of this sentence, (c) waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court and (d) agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Service of any process, summons, notice or document by registered mail or overnight courier addressed to any of the parties hereto at the addresses set forth above shall be effective service of process against such party for any suit, action or proceeding brought in any such court.

12. Confidentiality.

This Commitment Letter is delivered to you on the understanding that none of this Commitment Letter or the Fee Letter or their terms or substance shall be disclosed, directly or indirectly, to any other person or entity (including other lenders, underwriters, placement agents, advisors or any similar persons) except (a) to your officers, directors, employees, affiliates, members, partners, stockholders, attorneys, accountants, agents and advisors on a confidential basis, (b) if the Commitment Parties consent to such proposed disclosure, (c) this Commitment Letter, including the Term Sheets and the other annexes, schedules and exhibits hereto, and the contents thereof, may be disclosed as may be required by the rules, regulations, schedules and forms of the Securities and Exchange Commission (the "***SEC***") in connection with any filings with the SEC in connection with the Transactions (in which case you agree to inform us promptly thereof to the extent lawfully permitted to do so) or (d) pursuant to the order of any court or administrative agency in any pending legal or administrative proceeding, or otherwise as required by applicable law, regulation, compulsory legal process or as requested by a governmental authority (in which case you agree to inform us promptly thereof to the extent practicable and so long as you are lawfully permitted to do so); *provided* that (i) in connection with the Transactions, you may disclose this Commitment Letter and the contents thereof and, on a redacted basis in a manner reasonably acceptable to the Commitment Parties, the Fee Letter and the contents thereof to the Seller and its subsidiaries and their respective officers, directors, employees, attorneys, accountants, agents and advisors, on a confidential basis, (ii) you may disclose the aggregate fee amounts (including upfront fees and original issue discount) payable under the Fee Letter as part of generic disclosure regarding sources and uses (but without disclosing any specific fees, flex or other economic terms set forth therein) in connection with any syndication of the Facilities as part of a disclosure of overall transaction fees and expenses (not limited to fees associated with the Facilities) to the Seller and its subsidiaries and their respective officers, directors, employees, attorneys, accountants, agents and advisors, (iii) you may disclose to the Company's auditors the Fee Letter and the contents thereof after the Closing Date for customary accounting purposes, including accounting for deferred financing costs and (iv) you may disclose the Term Sheets and the existence of this Commitment Letter and the contents hereof (but, for the avoidance of doubt, not the Fee

Letter or the contents thereof) in any syndication of the Facilities or in any proxy statement or other public filing in connection with the Acquisition; *provided*, *further*, that the foregoing restrictions shall cease to apply in respect of the existence and contents of this Commitment Letter (but not in respect of the Fee Letter and its fees and substance) on the date that is two years following the termination of this Commitment Letter in accordance with its terms.

Each Commitment Party, on behalf of itself and its affiliates, agrees that it will use all information provided to it or its affiliates by or on behalf of you hereunder solely for the purpose of providing the services which are the subject of this Commitment Letter and shall treat confidentially all such information and the terms and contents of this Commitment Letter, the Fee Letter and the Facilities Documentation and shall not publish, disclose or otherwise divulge such information; *provided* that nothing herein shall prevent a Commitment Party or its affiliates who are providing services hereunder from disclosing any such information (a) pursuant to the order of any court or administrative agency or otherwise as required by applicable law, regulation, compulsory legal process or as requested by a governmental authority (in which case such Commitment Party, to the extent practicable and so long as it is permitted by law and except in connection with any order or request as part of a regulatory examination or audit, agrees to inform you promptly thereof), (b) upon the request or demand of any regulatory authority (including any self-regulatory authority) having jurisdiction over such Commitment Party or any of its affiliates (in which case such Commitment Party agrees to inform you promptly thereof prior to such disclosure to the extent practicable, unless such Commitment Party is prohibited by applicable law from so informing you, or except in connection with any request as part of a regulatory examination or audit), (c) to the extent that such information becomes publicly available other than by reason of disclosure by such Commitment Party or any of its affiliates in violation of this paragraph, (d) to the extent that such information is received by such Commitment Party from a third party that is not to such Commitment Party's knowledge subject to confidentiality obligations to you or the Seller (or your or its respective affiliates), (e) to the extent that such information is independently developed by such Commitment Party or its affiliates, in each case, so long as not based on information obtained in a manner that would otherwise violate this provision, (f) to such Commitment Party's affiliates and its and their officers, directors, employees, legal counsel, independent auditors and other experts, professionals, advisors or agents (collectively, the "***Representatives***") who need to know such information in connection with the Transactions and are informed of the confidential nature of such information (*provided* that no such disclosure shall be made by the Commitment Parties, their respective affiliates or any of their respective Representatives to any such affiliates that are Disqualified Institutions), (g) to prospective Lenders, participants or assignees or, with the prior consent of the Company, any potential counterparty to any swap or derivative transaction relating to the Company or any of its subsidiaries or any of their respective obligations (in each case, other than a Disqualified Institution); *provided* that such disclosure shall be made subject to the acknowledgment and acceptance by such prospective Lender, participant, assignee or counterparty, on behalf of itself and its Representatives, that such information is being disseminated on a confidential basis (on substantially the terms set forth in this paragraph or as is otherwise reasonably acceptable to you and the Commitment Parties, including, without limitation, as set forth in any Information Materials) in accordance with the standard syndication process of the Commitment Parties or market standards for dissemination of such type of information which, in the case of any electronic access, shall in any event require "click through" or other affirmative action on the part of the recipient to access such confidential information, (h) for purposes of establishing a "due diligence" defense or (i) with your prior written consent. In addition, each Commitment Party may disclose the existence of the Facilities and the information about the Facilities to market data collectors, similar service providers to the lending industry and service providers to the Commitment Parties in connection with the administration and management of the Facilities. Each Commitment Party's obligations under this paragraph shall automatically terminate and be superseded by the confidentiality provisions in the definitive documentation relating to each of the Facilities upon the execution and delivery of the definitive documentation therefor and in any event shall terminate two years from the date hereof. A

Commitment Party shall be principally liable to the extent any confidentiality restrictions set forth herein are violated by one or more of its affiliates or any of its or their Representatives to whom such Commitment Party has disclosed information pursuant to clause (f) in the proviso in the first sentence of this paragraph.

13. Surviving Provisions.

The provisions of this Section 13 and the indemnification, confidentiality, jurisdiction, service of process, venue, governing law, absence of advisory or fiduciary duty and waiver of jury trial, information and syndication provisions contained herein and the alternate transaction fee, administrative fees, Flex Provisions (as defined in the Fee Letter) and governing law provisions contained in the Fee Letter shall remain in full force and effect regardless of whether definitive financing documentation shall be executed and delivered and notwithstanding the termination of this Commitment Letter or the Initial Lenders' commitments hereunder and the Lead Arrangers' agreements to provide the services described herein; *provided* that your obligations under this Commitment Letter, other than those relating to confidentiality, information and to the syndication of the Facilities, shall automatically terminate and, to the extent covered thereby, be superseded by the definitive documentation relating to the Facilities upon the initial funding under the Facilities, and you shall be released from all liability in connection therewith at such time. You may terminate this Commitment Letter and/or, reduce on a *pro rata* basis, the Initial Lenders' commitments with respect to any Facility (or any portion thereof *pro rata* across such Facility) hereunder at any time subject to the provisions of the preceding sentence.

14. Patriot Act Notification.

We hereby notify you that pursuant to the requirements of the USA PATRIOT Act, Title III of Pub. L. 107-56 (signed into law October 26, 2001) (as amended, the "***Patriot Act***"), each Commitment Party and each Lender is required to obtain, verify and record information that identifies the Borrower and each Guarantor, which information includes the name, address, tax identification number, if any, and other information regarding the Borrower and each such Guarantor that will allow such Commitment Party or such Lender to identify the Borrower and each such Guarantor in accordance with the Patriot Act. This notice is given in accordance with the requirements of the Patriot Act and is effective as to the Commitment Parties and each Lender.

15. Acceptance and Termination.

If the foregoing correctly sets forth our agreement, please indicate your acceptance of the terms of this Commitment Letter and of the Fee Letter by returning to the Lead Arrangers executed counterparts hereof and of the Fee Letter not later than 11:59 p.m., New York City time, on March 25, 2016. Each Commitment Party's respective commitments hereunder and agreements contained herein will expire at such time in the event that the Lead Arrangers have not received such executed counterparts in accordance with the immediately preceding sentence. This Commitment Letter and the commitments and undertakings of the Commitment Parties hereunder shall automatically terminate (a) in the event that the initial borrowing in respect of the Facilities does not occur on or before 5:00 p.m., New York City time on June 28, 2016, unless each of the Commitment Parties shall, in their discretion, agree to an extension, or (b) if earlier, upon either (i) the valid termination of the Acquisition Agreement in accordance with its terms prior to the closing of the Acquisition or (ii) the consummation of the Acquisition with or without the use of the Facilities (unless the Commitment Parties have failed to fund in breach of their obligations hereunder); *provided* that the termination of any commitment pursuant to this sentence does not prejudice our or your rights and remedies in respect of any breach of this Commitment Letter.

Each of the parties hereto agrees that this Commitment Letter is a binding and enforceable agreement with respect to the subject matter contained herein, including an agreement to negotiate in good faith the Facilities Documentation by the parties hereto in a manner consistent with this Commitment Letter, it being acknowledged and agreed that the commitments provided hereunder (and the initial funding in respect thereof) by the Commitment Parties are subject only to the conditions precedent set forth in Exhibit C hereto, including the execution and delivery of the Facilities Documentation (which shall be negotiated in good faith as required by the Documentation Principles).

[*Remainder of this page intentionally left blank*]

The Commitment Parties are pleased to have been given the opportunity to assist you in connection with the financing for the Transactions.

Very truly yours,

BANK OF AMERICA, N.A.

By: /s/ Monica Sevila
Name: Monica Sevila
Title: Senior Vice President

MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED

By: /s/ D. Clay Hall
Name: D. Clay Hall
Title: Director

CITIBANK, N.A.

By: /s/ Michael Berry
Name: Michael Berry
Title: Authorized Signatory

KEYBANK NATIONAL ASSOCIATION

By: /s/ Stacy Moritz
Name: Stacy Moritz
Title: Managing Director

KEYBANC CAPITAL MARKETS INC.

By: /s/ Stacy Moritz
Name: Stacy Moritz
Title: Managing Director

SUNTRUST BANK

By: /s/ David Dutton
Name: David Dutton
Title: Vice President

SUNTRUST ROBINSON HUMPHREY, INC.

By: /s/ Michael Chung
Name: Michael Chung
Title: Director

[Project Wild Commitment Letter]

Accepted and agreed to as of the date first above written:

MERCURY SYSTEMS, INC.

By: /s/ Gerald M. Haines
Name: Gerald M. Haines II
Title: Executive Vice President & Chief Financial Officer

Schedule 1

Commitment Party	Term Loan A Facility	Revolving Facility
Bank of America	**25%**	**25%**
Citi	**25%**	**25%**
KeyBank	**25%**	**25%**
SunTrust	**25%**	**25%**

EXHIBIT A

Project Wild

$265,000,000 Term Loan A Facility
$75,000,000 Revolving Facility

Transaction Description[1]

It is intended that:

(a) the Company will consummate the Acquisition pursuant to the Acquisition Agreement;

(b) the Borrower will obtain the senior secured credit facilities described in the Summary of Principal Terms and Conditions attached as Exhibit B to the Commitment Letter (the "***Facilities Term Sheet***") in an aggregate principal amount of $340.0 million, comprised of a $265.0 million term loan facility (the "***Term Loan A Facility***") available to the Borrower and a $75.0 million revolving credit facility (the "***Revolving Facility***"); *provided* that the amount of the term loan facility shall be reduced dollar for dollar by the net cash proceeds (if any) received by the Borrower prior to or on the Closing Date from any Pre-Closing Equity Offering (as defined below).

(c) the Company intends to consummate a public offering and sale of its common equity interests after the date hereof and prior to or on the Closing Date (any such public offering and sale, the "***Pre-Closing Equity Offering***") (it being understood that the ability for the Company to so consummate such an offering is subject to market conditions and that no such offering and sale may be consummated prior to or on the Closing Date).

(d) (i) all indebtedness under that certain Credit Agreement, dated as of October 12, 2012, by and among Mercury Computer Systems, Inc., KeyBank National Association, as administrative agent, and the lenders and other parties thereto (as amended, restated, supplemented or otherwise modified through the Closing Date) shall be paid in full, and all commitments, security interests and guaranties in connection therewith shall be terminated and released and (ii) the guarantees of the Target and/or its subsidiaries, and any security interests granted in the Target, its subsidiaries and their assets shall be terminated and released under (A) that certain Guarantee and Collateral Agreement, dated as of January 15, 2016, by and among Microsemi Corporation, the other Grantors party thereto and Morgan Stanley Senior Funding, Inc. and (B) that certain Indenture, dated as of January 15, 2016, by and among Microsemi Corporation, the guarantors named therein and U.S. Bank National Association.

The transactions described in clauses (a) through (d) above, together with the transactions related thereto, are collectively referred to herein as the "***Transactions***", and the transactions described in clause (d) above are collectively referred to herein as the "***Refinancing***". This Exhibit A, the Facilities Term Sheet and the Conditions Precedent attached as Exhibit C to the Commitment Letter are collectively referred to herein as the "***Term Sheets***". The Term Loan A Facility and Revolving Facility are collectively referred to herein as the "***Facilities***". For purposes of this Commitment Letter, "***Closing Date***" shall mean the date of the initial funding under the Facilities and the consummation of the Refinancing and the Acquisition.

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1 All capitalized terms used but not defined herein have the meanings given to them in the Commitment Letter to which this Exhibit is attached, including the other Exhibits thereto. In the event any such capitalized term is subject to multiple and differing definitions, the appropriate meaning thereof in this Exhibit shall be determined by reference to the context in which it is used.

EXHIBIT B

Project Wild

$265,000,000 Term Loan A Facility
$75,000,000 Revolving Facility

Summary of Principal Terms and Conditions[2]

Borrower:	Mercury Systems, Inc. (the "***Borrower***" or the "***Company***").
Administrative Agent:	Bank of America will act as sole and exclusive administrative agent (in such capacity, the "***Administrative Agent***") and collateral agent for a syndicate of banks, financial institutions and institutional lenders excluding any Disqualified Institutions and otherwise reasonably acceptable to the Borrower (together with the Initial Lenders, the "***Lenders***"), and will perform the duties customarily associated with such roles.
Bookrunners and Lead Arrangers:	MLPF&S, Citi, KBCM and STRH will act as joint lead arrangers for the Facilities (the "***Lead Arrangers***") and as joint bookrunners, and will perform the duties customarily associated with such roles.
Facilities:	(A) A senior secured term loan A facility in an aggregate principal amount of $265.0 million (the "***Term Loan A Facility***"; the loans thereunder, the "***Term Loans***"); *provided* that the amount of the term loan facility shall be reduced dollar for dollar by the net cash proceeds (if any) received by the Borrower prior to or on the Closing Date from any Pre-Closing Equity Offering (as defined in Exhibit A). (B) A senior secured revolving credit facility in an aggregate principal amount of $75.0 million (the "***Revolving Facility***" and, together with the Term Loan A Facility, the "***Facilities***"), available in U.S. dollars, of which up to an amount to be agreed (and in any event no less than $10.0 million) will be available in the form of stand-by and trade letters of credit (collectively, "***Letters of Credit***" and individually, a "***Letter of Credit***") to be issued at the request of the Borrower for the account of the Borrower or any of its restricted subsidiaries In connection with the Revolving Facility, Bank of America (in such capacity, the "***Swingline Lender***") will make available to the Borrower a swingline facility under which the Borrower may make short-term borrowings in U.S. Dollars of up to an amount to be agreed (and in any event no less than $10.0 million). Except for purposes of calculating the Commitment Fee described below, any such swingline borrowings will reduce availability under the Revolving Facility on a dollar-for-dollar basis.

2 All capitalized terms used but not defined herein have the meanings given to them in the Commitment Letter to which this Term Sheet is attached, including the other Exhibits thereto. In the event any such capitalized term is subject to multiple and differing definitions, the appropriate meaning thereof in this Exhibit shall be determined by reference to the context in which it is used.

Each Lender under the Revolving Facility shall, promptly upon request by the Swingline Lender, fund to the Swingline Lender its *pro rata* share of any swingline borrowings.

If any Lender becomes a Defaulting Lender (to be defined in a manner consistent with the Documentation Principles), then the swingline exposure of such Defaulting Lender will automatically be reallocated among the non-Defaulting Lenders *pro rata* in accordance with their commitments under the Revolving Facility up to an amount such that the revolving credit exposure of such non-Defaulting Lender does not exceed its commitments. In the event such reallocation does not fully cover the exposure of such Defaulting Lender, the Swingline Lender may require the Borrower to repay such "uncovered" exposure in respect of the swingline loans and will have no obligation to make new swingline loans to the extent such swingline loans would exceed the commitments of the non-Defaulting Lenders.

Incremental Facilities:

The Facilities Documentation (as defined below), with terms other than as set forth below consistent with the Documentation Principles, will permit the Borrower to (a) add one or more incremental term loan tranches or evidence an increase in loans under the Term Loan A Facility or any other then-existing term loan tranche (any such additional term loan tranches or increase in loans under an existing term loan tranche, an "***Incremental Term Facility***") and (b) add one or more revolving credit facility tranches or increase commitments under the Revolving Facility or any other then-existing revolving facility tranche (any such revolving credit facility tranche or increase, a "***Incremental Revolving Facility***"; the Incremental Term Facilities and the Incremental Revolving Facilities are collectively referred to as "***Incremental Facilities***"); *provided* that:

(i) if the proceeds under any Incremental Facility are to be used to finance a permitted acquisition whose consummation is not conditioned on the availability of, or on obtaining, third party financing, the conditions to the availability or borrowing under such Incremental Facility related to the accuracy of representations and warranties or the absence of a default or event of default (other than payment or bankruptcy events of default) may be waived or limited, as agreed between the Borrower and the lenders providing such Incremental Facility without the consent of the existing Lenders;

(ii) any Incremental Facility will rank pari passu with the Facilities in right of payment and security and shall be guaranteed by the Guarantors;

(iii) any Incremental Term Facility (x) will have a final scheduled maturity date no earlier than the then-final scheduled maturity date of the original Term Loan A Facility and (y) that is an increase in loans to an existing tranche of term loans shall be on the same terms (including maturity date and, other than with respect to original issue discount or upfront fees, interest rates) and pursuant to the same documentation (other than the amendment evidencing such Incremental Term Facility) applicable to such term loan tranche;

(iv) (A) with respect to any Incremental Term Facility, the weighted average life to maturity shall be no shorter than that of the Term Loan A Facility

(without giving effect to prepayments that would otherwise modify the weighted average life to maturity of the Term Loan A Facility), (B) no Incremental Revolving Facility shall provide for scheduled amortization or mandatory commitment reductions prior to the then final scheduled maturity date of the Revolving Facility and (C) subject to preceding clause (A) and clause (iii) above, any Incremental Term Facility may otherwise have an amortization schedule as determined by the Borrower and the lenders thereunder;

(v) the all-in yield on (whether in the form of margin, original issue discount or otherwise), and any fees payable in connection with, any such Incremental Facility shall be determined by the Borrower and the arrangers and/or lenders providing such Incremental Facility;

(vi) (A) any Incremental Revolving Facility (w) that is an increase in commitments to the Revolving Facility or any other of the then-existing Revolving Facilities (as defined below) shall be on the same terms (including maturity date and interest rates but excluding upfront fees) and pursuant to the same documentation (other than the amendment evidencing such Incremental Revolving Facility) applicable to such facility, (x) may provide for the ability to participate with respect to borrowings and, subject to exceptions consistent with the Documentation Principles, repayments on a *pro rata* basis or less than *pro rata* basis (but not greater than *pro rata* basis) with other then-outstanding Revolving Facilities, (y) may not have a final scheduled maturity date earlier than the then-final scheduled maturity date of the Revolving Facility but (z) may provide for the ability to permanently repay and terminate revolving commitments on a *pro rata* basis or less than a *pro rata* basis (but not greater than a *pro rata* basis other than with respect to any termination of undrawn revolving commitments or a permanent repayment of any Revolving Facilities (1) with the proceeds of a Refinancing Facility or (2) that mature earlier than outstanding Revolving Facilities) and (B) any Incremental Term Facility may provide for the ability to participate (x) with respect to any voluntary prepayments, on a *pro rata* basis, less than a *pro rata* basis or greater than a *pro rata* basis with the Term Loan A Facility and any other then-existing Term Facilities (as defined below) and (y) with respect to any mandatory prepayments, on a *pro rata* basis or less than a *pro rata* basis with the Term Loan A Facility and any other then-existing Term Facilities (but not greater than a *pro rata* basis other than with respect to prepayments of any Term Facilities (1) with the proceeds of Refinancing Facilities or (2) that mature earlier than outstanding Term Facilities); and

(viii) except as otherwise required or permitted in clauses (i) through (vii) above, all other terms of such Incremental Facility, if not consistent with the terms of any then-existing term loan tranche or revolving facility tranche, as the case may be, shall (x) be conformed (or added) in the Facilities Documentation for the benefit of the Facilities (i.e., if being added or modified for an Incremental Term Facility, then such provision will be added or modified for the benefit of the other Term Facilities and the other Revolving Facilities) pursuant to an amendment thereto subject solely to the reasonable satisfaction of the Administrative Agent, (y) be applicable solely to periods after the latest final maturity date of the applicable Facilities existing at the time of the incurrence of such Incremental Facility) or (z) be reasonably satisfactory to the Administrative Agent.

The aggregate principal amount of Incremental Facilities added shall not exceed at any time the sum of (A) $85.0 million plus (B) an unlimited amount; *provided* that after giving pro forma effect to the incurrence of such amount pursuant to this clause (B) (and after giving effect to any transaction consummated in connection therewith and all customary pro forma events and adjustments and in the case of an Incremental Revolving Facility, assuming a full draw on such Incremental Revolving Facility, but excluding the proceeds of the Incremental Facility proposed to be incurred from netting in the calculation of the Total Net Leverage Ratio), the Total Net Leverage Ratio as of the last day of the most recently ended period of four consecutive fiscal quarters for which financial statements have been delivered pursuant to the Facilities Documentation does not exceed 2.50x (with the Borrower to select utilization under clauses (A) or (B) in its sole discretion) (the sum of the amounts in clauses (A) and (B), the "***Available Incremental Amount***"). Any Incremental Facility may be incurred under either clause (A) or clause (B) as selected by the Borrower in its sole discretion, including by designating any portion of any Incremental Facility in excess of an amount permitted to be incurred under clause (B) at the time of such incurrence as incurred under clause (A).

The Borrower may in its sole discretion seek commitments in respect of the Incremental Facilities from existing Lenders (each of which shall be entitled to agree or decline to participate in its sole discretion) and additional banks, financial institutions and other institutional lenders (in the case of such additional banks, financial institutions and other institutional lenders, subject to the consent of the Administrative Agent, and in the case of an Incremental Revolving Facility, each Issuing Bank and the Swingline Lender (in each case, not to be unreasonably withheld, conditioned or delayed), in each case if such consent is required under the heading entitled "Assignments and Participations") who will become Lenders in connection therewith.

In addition, the Borrower may, in lieu of adding Incremental Term Facilities, issue or incur Incremental Equivalent Debt (as defined below), subject, in the case of (i) Incremental Equivalent Debt that is secured on a junior lien basis with the Facilities, to an intercreditor agreement reasonably acceptable to the Borrower and the Administrative Agent and (ii) Incremental Equivalent Debt that is subordinated in right of payment to the Facilities, to a subordination agreement reasonably acceptable to the Borrower and the Administrative Agent.

"***Incremental Equivalent Debt***" means indebtedness issued or incurred in lieu of loans under any Incremental Term Facility consisting of the issuance or incurrence of senior or subordinated loans or notes (in each case, which may be unsecured or secured on a junior lien basis with the Facilities) and, in the case of notes, issued in a public offering, Rule 144A or other private placement or bridge in lieu of the foregoing, and subject to customary conditions other than as set forth below consistent with the Documentation Principles; *provided* that (x) except with respect to Incremental Equivalent Debt issued or incurred in

	lieu of loans under clause (A) of the Available Incremental Amount, after giving pro forma effect to the incurrence of such Incremental Equivalent Debt (and after giving effect to any transaction consummated in connection therewith and all customary pro forma events and adjustments but excluding the proceeds of the Incremental Equivalent Debt proposed to be incurred from netting in the calculation of the Total Net Leverage Ratio), the Total Net Leverage Ratio as of the last day of the most recently ended period of four consecutive fiscal quarters for which financial statements have been delivered pursuant to the Facilities Documentation does not exceed 2.50x and (y) such Incremental Equivalent Debt shall have (1) a final scheduled maturity date no earlier than 91 days after the final scheduled maturity date of the initial Facilities, (2) no scheduled amortization prior to the final scheduled maturity date of the Term Loan A Facility, (3) other terms (excluding pricing, fees, rate floors and optional prepayment or redemption terms) substantially similar to, or (taken as a whole) no more favorable (as reasonably determined by the Borrower) to the lenders or holders providing such Incremental Equivalent Debt than, those applicable to the original Term Loan A Facility (except to the extent applicable solely to periods after the latest final maturity date of the Facilities existing at the time of the incurrence of such Incremental Equivalent Debt), (4) (x) financial maintenance covenants that are not more restrictive than the Financial Covenants or (y) no financial maintenance covenants and (5) no mandatory prepayment, redemption or offer to purchase events that are earlier than the maturity date of the Term Loan A Facility (but may include customary change of control and asset sale proceeds offers).
Refinancing Facilities:	The Facilities Documentation, with terms other than as set forth below consistent with the Documentation Principles, will permit the Borrower to refinance any tranche of term loans under the Facilities Documentation (including the Term Loan A Facility) or any tranche of revolving commitments under the Facilities (including the Revolving Facility) from time to time, in whole or part, by (a) adding one or more term loan tranches to the Facilities (any such additional term loan tranches, a “***Refinancing Term Facility***”) and together with the Term Loan A Facility and any Incremental Term Facilities, the “***Term Facilities***” and (b) adding one or more revolving credit facility tranches (any such revolving credit facility tranche, a “***Refinancing Revolving Facility***” and together with the Revolving Facility and any Incremental Revolving Facilities, the “***Revolving Facilities***”); the Refinancing Term Facilities and the Refinancing Revolving Facilities are collectively referred to as “***Refinancing Facilities***”); *provided* that: (i) any Refinancing Facility will (A) rank on the same basis in right of payment and security as the tranche being refinanced and (B) be guaranteed by the Guarantors; (ii) no Refinancing Facility will have a final scheduled maturity date (or, in the case of a Refinancing Revolving Facility, any mandatory commitment reduction date) earlier than the final scheduled maturity date (and mandatory commitment reduction dates, if any) of the tranche being refinanced; (iii) (A) with respect to any Refinancing Term Facility, the weighted average life to maturity shall be no shorter than that of the tranche of term loans being

refinanced (without giving effect to prepayments that would otherwise modify the weighted average life to maturity of the tranche of term loans being refinanced), (B) no Refinancing Revolving Facility shall provide for scheduled amortization (or, except as set forth in clause (ii) above, mandatory commitment reductions) prior to the then final scheduled maturity date of the Revolving Facility and (C) subject to preceding clause (A) and clause (ii) above, any Refinancing Term Facility may otherwise have an amortization schedule as determined by the Borrower and the lenders thereunder;

(iv) [reserved];

(v) the all-in yield on (whether in the form of margin, original issue discount or otherwise), and any fees payable in connection with, any such Refinancing Facility shall be determined by the Borrower and the arrangers and/or lenders providing such Refinancing Facility;

(vi) (A) any Refinancing Revolving Facility may provide for the ability to participate (x) with respect to borrowings and, subject to customary exceptions consistent with the Documentation Principles, repayments on a *pro rata* basis or less than pro rata basis (but not greater than *pro rata* basis) with other then-outstanding Revolving Facilities and (y) with respect to permanent repayments and terminations of revolving commitments, on a *pro rata* basis or less than a *pro rata* basis (but not greater than a *pro rata* basis other than with respect to any termination of undrawn revolving commitments or a permanent repayment of any Revolving Facilities (1) with the proceeds of a Refinancing Facility or (2) that mature earlier than outstanding Revolving Facilities) and (B) any Refinancing Term Facility may provide for the ability to participate (x) with respect to any voluntary prepayments, on a *pro rata* basis, less than a *pro rata* basis or greater than a *pro rata* basis with the Term Loan A Facility and any other then-existing Term Facilities and (y) with respect to any mandatory prepayments, on a *pro rata* basis or less than a *pro rata* basis with the Term Loan A Facility (but not greater than a *pro rata* basis other than with respect to prepayments of any Term Facilities (1) with the proceeds of Refinancing Term Facilities or (2) that mature earlier than outstanding Term Facilities);

(vii) the principal amount of such any Refinancing Facility shall not exceed the principal amount of the tranche of term loans or revolving commitments, as applicable, so refinanced (plus any accrued but unpaid interest, premiums, fees and penalties payable by the terms of such tranche of term loans or revolving commitments, as applicable, thereon and reasonable fees, expenses, original issue discount and upfront fees incurred in connection with the incurrence of such Refinancing Facility); and

(viii) except as otherwise required or permitted in clauses (i) through (vii) above, all other terms of such Refinancing Facility, if not consistent with the terms of any then-existing term loan tranche or revolving facility tranche, as the case may be, shall (x) be conformed (or added) in the Facilities Documentation for the benefit of the Facilities (i.e., if being added or modified for a Refinancing Term Facility, then such provision will be added or modified for the benefit of the other Term Facilities and the other Revolving Facilities) pursuant to an amendment thereto subject solely to the reasonable satisfaction

of the Administrative Agent, (y) be applicable solely to periods after the latest final maturity date of the applicable Facilities existing at the time of such refinancing) or (z) be reasonably satisfactory to the Administrative Agent.

In addition, the Borrower may, in lieu of adding Refinancing Term Facilities, issue or incur Refinancing Equivalent Debt (as defined below), subject, in the case of (i) Refinancing Equivalent Debt that is secured on a junior lien basis to the Facilities, to an intercreditor agreement reasonably acceptable to the Borrower and the Administrative Agent and (ii) Refinancing Equivalent Debt that is subordinated in right of payment to the Facilities, to a subordination agreement reasonably acceptable to the Borrower and the Administrative Agent.

"***Refinancing Equivalent Debt***" means indebtedness issued or incurred in lieu of loans under any Refinancing Term Facility consisting of the issuance or incurrence of senior or subordinated loans or notes (in each case, which may be unsecured or secured on a junior lien basis with the Term Loan A Facility), and on terms and subject to conditions consistent with the Documentation Principles; *provided* that such Refinancing Equivalent Debt shall have (1) a final scheduled maturity date no earlier than 91 days after the final scheduled maturity date of the initial Facilities, (2) no scheduled amortization prior to the final scheduled maturity date of the Term Loan A Facility, (3) other terms (excluding pricing, fees, rate floors and optional prepayment or redemption terms) that are substantially similar to, or (taken as a whole) no more favorable (as reasonably determined by the Borrower) to the lenders or holders providing such Refinancing Equivalent Debt than, those applicable to the original Term Loan A Facility (except to the extent applicable solely to periods after the latest final maturity date of the Term Facilities existing at the time of such refinancing), (4) (x) financial maintenance covenants that are not more restrictive than the Financial Covenants or (y) no financial maintenance covenants and (5) no mandatory prepayment, redemption or offer to purchase events that are earlier than the maturity date of the Term Loan A Facility (but may include customary change of control and asset sale proceeds offers).

Purpose:

(A) The proceeds of the Term Loan A Facility will be used by the Borrower on the Closing Date, together with any borrowings under the Revolving Facility (if any and to the extent contemplated under "Availability" below), the net cash proceeds of any Pre-Closing Equity Offering and cash on the balance sheet, solely to pay the consideration for the Acquisition, for the Refinancing and for the payment of any close-out fees in connection with the termination of hedging obligations, if any, of the Company, the Target and their respective subsidiaries (including accrued and unpaid interest and applicable premiums), and to pay fees, costs and expenses related to the Transactions.

(B) The Letters of Credit and proceeds of loans under the Revolving Facility (except as set forth below) will be used by the Borrower and its subsidiaries solely for general corporate purposes (including permitted acquisitions and other purposes not prohibited by the Facilities Documentation).

Availability:	(A) The Term Loan A Facility will be available to the Borrower in a single drawing on the Closing Date. Amounts borrowed under the Term Loan A Facility that are repaid or prepaid may not be reborrowed. (B) Loans under the Revolving Facility may be made available on the Closing Date (a) to finance (i) the Transactions and (ii) fees and expenses related to the Transactions (including original issue discount and upfront fees, but excluding original issue discount and upfront fees contemplated by clause (c) below), (b) to finance ordinary course working capital needs and working capital adjustments under the Acquisition Agreement and (c) to fund any original issue discount or upfront fees in connection with the Flex Provisions; *provided* that amounts available under clauses (a) and (b) above shall in the aggregate not exceed $10.0 million. In addition, Letters of Credit may be issued on the Closing Date to backstop or replace letters of credit, bankers guarantees and performance and similar bonds outstanding on the Closing Date (including by "grandfathering" such existing letters of credit or bankers guarantees in the Revolving Facility) or for other general corporate purposes. Loans under the Revolving Facility will be available at any time prior to the final maturity of the Revolving Facility, in a minimum principal amount of $1,000,000 or a whole multiple of $100,000 thereof for Adjusted LIBOR loans and in a minimum principal amount of $500,000 or a whole multiple of $100,000 thereof for ABR loans. Amounts repaid under the Revolving Facility may be reborrowed.
Interest Rates and Fees:	As set forth on Annex I hereto.
Default Rate:	With respect to overdue principal, at the applicable interest rate plus 2.00% per annum, and with respect to any other overdue amount (including overdue interest), at the interest rate applicable to ABR loans (as defined in Annex I) plus 2.00% per annum, which, in each case, shall be payable on demand.
Letters of Credit:	Letters of Credit under the Revolving Facility will be issued by the Administrative Agent and/or another Lender under the Revolving Facility reasonably acceptable to the Borrower and the Administrative Agent and that consents in writing to act in such capacity (each, an "***Issuing Bank***"). Each Letter of Credit shall expire not later than the earlier of (a) (x) in the case of a standby Letter of Credit, 12 months after its date of issuance and (y) in the case of a trade Letter of Credit, 180 days after its date of issuance and (b) the fifth business day prior to the final maturity of the Revolving Facility (except to the extent cash collateralized or backstopped pursuant to arrangements reasonably acceptable to the applicable Issuing Bank and the Administrative Agent); *provided* that any standby Letter of Credit may provide for renewal thereof for additional periods of up to 12 months (which in no event shall extend beyond the date referred to in clause (b) above).

Drawings under any Letter of Credit shall be reimbursed by the Borrower within one business day. To the extent that the Borrower does not reimburse the applicable Issuing Bank within one business day, the Lenders under the Revolving Facility shall be irrevocably obligated to reimburse such Issuing Bank *pro rata* based upon their respective Revolving Facility commitments.

If any Lender becomes a Defaulting Lender (to be defined consistent with the Documentation Principles), then the Letter of Credit exposure of such Defaulting Lender will automatically be reallocated among the non-Defaulting Lenders *pro rata* in accordance with their commitments under the Revolving Facility up to an amount such that the revolving credit exposure of such non-Defaulting Lender does not exceed its commitments. In the event that such reallocation does not fully cover the Letter of Credit exposure of such Defaulting Lender, the applicable Issuing Bank may require the Borrower to cash collateralize such "uncovered" exposure in respect of each outstanding Letter of Credit and will have no obligation to issue new Letters of Credit, or to extend, renew or amend existing Letters of Credit to the extent Letter of Credit exposure would exceed the commitments of the non-Defaulting Lenders, unless such "uncovered" exposure is cash collateralized to the applicable Issuing Bank's reasonable satisfaction.

Final Maturity and Amortization:

(A) Term Loan A Facility

The Term Loan A Facility will mature on the date that is five years after the Closing Date and will amortize in equal quarterly installments commencing on the last day of the first full fiscal quarter ended after the Closing Date based on the following amortization table, with the balance payable on the final maturity date of the Term Loan A Facility:

Four Quarter Period	**Amortization**
1st period	5.0%
2nd period	5.0%
3rd period	7.5%
4th period	10.0%
5th period	12.5%

provided that the Facilities Documentation shall provide the right for the Borrower to extend commitments and/or outstandings pursuant to one or more tranches with only the consent of the respective extending Lenders in a manner consistent with the Documentation Principles; it being understood that each Lender under the tranche that is being extended shall have been offered the opportunity to participate in such extension on a *pro rata* basis on the same terms and conditions as each other Lender under such tranche.

(B) Revolving Facility

The Revolving Facility will mature on the date that is five years after the Closing Date; *provided* that the Facilities Documentation shall provide the right for the Borrower to extend commitments and/or outstandings pursuant to one or more tranches with only the consent of the respective extending Lenders in a manner consistent with the Documentation Principles; it being understood that each Lender under the tranche that is being extended shall have been offered the opportunity to participate in such extension on a *pro rata* basis on the same terms and conditions as each other Lender under such tranche.

Guarantees: All obligations of the Borrower (the "***Borrower Obligations***") under the Facilities and any obligations of the Borrower and each of its restricted subsidiaries under any interest rate protection, currency exchange or other hedging arrangements entered into with the Administrative Agent, any Lead Arranger or any Lender or any of their respective affiliates at the time of the entering into of such arrangements ("***Hedging Obligations***") and under any cash management arrangements entered into with the Administrative Agent, any Lead Arranger or any Lender or any of their respective affiliates at the time of the entering into of such arrangements ("***Cash Management Obligations***" and, together with the Borrower Obligations and the Hedging Obligations, collectively, the "***Obligations***") will be unconditionally guaranteed jointly and severally on a senior secured basis (the "***Guarantees***") except to the extent (and for so long as) such a Guarantee would be prohibited or restricted by applicable law or by any restriction in any contract existing on the Closing Date (or, so long as any such restriction in any contract is not entered into in contemplation of such subsidiary becoming a subsidiary, at the time such subsidiary becomes a subsidiary) or would require governmental (including regulatory) consent, approval, license or authorization or would result in material adverse tax consequences to the Borrower and/or any of its subsidiaries as reasonably determined by the Borrower in consultation with the Administrative Agent, by each existing and subsequently acquired or organized direct or indirect wholly owned U.S. subsidiary of the Borrower (other than any direct or indirect U.S. subsidiary of a direct or indirect non-U.S. subsidiary of the Borrower that is a "controlled foreign corporation" within the meaning of Section 957 of the Internal Revenue Code (a "***CFC***"), any U.S. subsidiary (a "***CFC Holdco***") that has no material assets other than equity interests (or equity interests and indebtedness) of one or more non-U.S. subsidiaries that are CFCs or other CFC Holdcos, unrestricted subsidiaries, captive insurance companies, not-for-profit subsidiaries, special purpose entities reasonably satisfactory to the Administrative Agent, immaterial subsidiaries (defined in a manner to be agreed) and any subsidiary where the Administrative Agent and the Borrower agree that the cost of obtaining a guarantee by such subsidiary would be excessive in light of the practical benefit to the Lenders afforded thereby) (the "***Guarantors***" and, together with the Borrower, collectively the "***Loan Parties***").

Security: The Obligations and the Guarantees will be secured by substantially all of the present and after-acquired assets of the Borrower and each Guarantor (collectively, the "***Collateral***"), including but not limited to: (a) a perfected pledge of all the equity interests directly held by the Borrower or any Guarantor in any restricted subsidiary (which pledge, in the case of the equity interests of (x) any non-U.S. subsidiary or (y) any CFC Holdco, shall in either

case be limited to 65% of the equity interests of such non-U.S. subsidiary or such CFC Holdco, as the case may be) (the "***Pledged Collateral***") and (b) perfected security interests in, and mortgages on, substantially all other tangible and intangible assets of the Borrower and each Guarantor (including accounts receivable, inventory, equipment, general intangibles, investment property, intellectual property, material fee-owned real property, intercompany notes and proceeds of the foregoing).

Notwithstanding the foregoing, (a) the Collateral shall not include: (i) any fee-owned real property with a fair market value of less than an amount to be agreed, but in any event, not less than $5.0 million (as such fair market value is reasonably determined by the Borrower) and any leasehold interest in real property (it being understood there shall be no requirement to obtain any landlord waivers, estoppels or collateral access letters), (ii) motor vehicles, aircraft and other assets subject to certificates of title, except to the extent a security interest therein can be perfected by the filing of a UCC financing statement, (iii) commercial tort claims below a threshold to be agreed, but in any event, not less than $5.0 million, (iv) governmental licenses or state or local franchises, charters and authorizations and any other property and assets to the extent that the Administrative Agent may not validly possess a security interest therein under applicable laws (including, without limitation, rules and regulations of any governmental authority or agency) or the pledge or creation of a security interest in which would require governmental consent, approval, license or authorization, other than to the extent such prohibition or limitation is rendered ineffective under the UCC or other applicable law notwithstanding such prohibition or to the extent such consent has been obtained, (v) any particular asset or right under contract, if the pledge thereof or the security interest therein is prohibited or restricted by applicable law, rule or regulation (including any requirement thereunder to obtain the consent of any governmental or regulatory authority), or third party (so long as any agreement with such third party that provides for such prohibition or restriction was not entered into in contemplation of the acquisition of such assets or entering into of such contract for the purpose of creating such prohibition or restriction), other than to the extent such prohibition or restriction is rendered ineffective under the UCC or other applicable law notwithstanding such prohibition or restriction, (vi) (A) margin stock, (B) equity interests in any unrestricted subsidiaries and (C) equity interests in any non-wholly owned restricted subsidiaries and any entities which do not constitute subsidiaries, but only to the extent that (x) the organizational documents or other agreements with other equity holders (other than the Borrower and restricted subsidiaries) of such non-wholly owned restricted subsidiary or other entity do not permit or restrict the pledge of such equity interests (to the extent such restriction exists on the Closing Date or on the date of acquisition of such non-wholly owned restricted subsidiary), or (y) the pledge of such equity interests (including any exercise of remedies) would result in a change of control, repurchase obligation or other adverse consequence to any of the Loan Parties or such non-wholly owned restricted subsidiary or other entity, (vii) any lease, license or agreement or any property subject to a purchase money security interest, capital lease obligations or similar arrangement permitted under the Facilities Documentation, in each case, permitted under the Facilities Documentation and to the extent the grant of a security interest therein would violate or invalidate such lease, license or

agreement or purchase money or similar arrangement or create a right of termination in favor of any other party thereto (other than the Borrower or any restricted subsidiary of the Borrower) 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, (viii) any property or assets for which the creation or perfection of pledges of, or security interests in such property or assets pursuant to the Facilities Documentation, would result in material adverse tax consequences to the Borrower or any of its Subsidiaries, as reasonably determined by the Borrower in consultation with the Administrative Agent, (ix) letter of credit rights, except to the extent the security interest therein may be perfected by the filing of a UCC financing statement (it being understood that no actions shall be required to perfect a security interest in letter of credit rights, other than the filing of a UCC financing statement), (x) (A) payroll and other employee wage and benefit accounts, (B) tax accounts, including, without limitation, sales tax accounts, (C) escrow accounts and (D) fiduciary or trust accounts and, in the case of clauses (A) through (D), the funds or other property held in or maintained in any such account (as long as the accounts described in clauses (A) through (D) are used solely for such purposes), (xi) any intent-to-use 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, (xii) assets in circumstances where the cost of obtaining a security interest in such assets, including, without limitation, the cost of title insurance, surveys or flood insurance (if necessary) would be excessive in light of the practical benefit to the Lenders afforded thereby as reasonably determined together by the Borrower and the Administrative Agent and (xiii) certain other assets to be agreed (all of the items in clauses (i) through (xiii) above, collectively, the "***Excluded Assets***"), (b) control agreements and perfection by "control" or possession shall not be required with respect to any Collateral (other than delivery of certificated equity interests that constitute Pledged Collateral in wholly owned restricted subsidiaries and delivery of certain promissory notes that constitute Collateral above a threshold to be agreed); and (c) no actions in any non-U.S. jurisdiction or required by the laws of any non-U.S. jurisdiction shall be required in order to create any security interests in assets located or titled outside of the U.S. or to perfect such security interests, including any intellectual property registered in any non-U.S. jurisdiction (it being understood that there shall be no security agreements or pledge agreements governed under the laws of any non-U.S. jurisdiction).

Notwithstanding the foregoing, the requirements of the preceding two paragraphs shall be subject to the Certain Funds Provision.

Mandatory Prepayments:

Revolving Facility: None, subject to customary prepayment requirements if the utilization under the Revolving Facility exceeds the commitments thereunder.

Term Loan A Facility: Loans under the Term Loan A Facility shall be prepaid with (a) 100% of the net cash proceeds of all non-ordinary course asset sales or other dispositions of property by the Borrower and its restricted subsidiaries (including casualty insurance and condemnation proceeds, but with exceptions for sales of inventory in the ordinary course and other ordinary course dispositions, obsolete or worn-out property, property no longer useful in the business and other exceptions to be set forth in the Facilities Documentation) in excess of a threshold amount per transaction (or series of related transactions) and a threshold amount per fiscal year and subject to the right of the Borrower to reinvest if such excess proceeds are reinvested (or committed to be reinvested) within 12 months and, if so committed to reinvestment, reinvested no later than 6 months after the end of such 12-month period; (b) 100% of the net cash proceeds of issuances of debt obligations of the Borrower and its restricted subsidiaries (except the net cash proceeds of any permitted debt other than Refinancing Facilities or Refinancing Equivalent Debt); and (c) unless a Pre-Closing Equity Offering has been consummated on or prior to the Closing Date, 50% of the net cash proceeds of the first public offering and sale of common equity interests made within 6 months of the Closing Date (such an offering (if any) that is subject to the requirements for sweep pursuant to this clause (c), the "***Post-Closing Equity Offering***").

Within the Term Loan A Facility, mandatory prepayments shall be applied to the scheduled installments of principal of the Term Loan A Facility as directed by the Borrower (and absent such direction, in direct order of maturity thereof). Mandatory prepayments in clause (a) above shall be subject to customary limitations to the extent required to be made from cash at non-U.S. restricted subsidiaries, the repatriation of which would result in material adverse tax consequences (as reasonably determined in good faith by the Borrower) or would be prohibited or restricted by applicable law (subject to commercially reasonable efforts to mitigate or avoid such tax effects or restrictions).

Any Lender under the Term Loan A Facility may elect not to accept any mandatory prepayment (each a "***Declining Lender***") (except in respect of a mandatory prepayment made with the net cash proceeds of Refinancing Facilities or Refinancing Equivalent Debt). Any prepayment amount declined by the Declining Lenders shall be paid to non-declining Lenders; *provided* that such reallocated payments to non-declining Lenders shall be subject to the limits on repatriation set forth above. Any remaining amount may be retained by the Borrower.

Voluntary Prepayments and Reductions in Commitments: Voluntary reductions of the unutilized portion of the Facilities commitments and prepayments of borrowings will be permitted at any time (subject to customary notice requirements), in minimum principal amounts consistent with the Documentation Principles, without premium or penalty (except as provided below), subject to reimbursement of the Lenders' redeployment costs in the case of a prepayment of Adjusted LIBOR borrowings prior to the last day of the relevant interest period. All voluntary prepayments of the Term Loan A Facility will be applied to the remaining amortization payments under the Term Loan A Facility as directed by the Borrower (and absent such direction, in direct order of maturity thereof).

Facilities Documentation:	The definitive documentation for each of the Facilities (the "***Facilities Documentation***") shall (i) be consistent with this Term Sheet and shall contain only those payments, conditions to borrowing, mandatory prepayments, representations, warranties, covenants and events of default expressly set forth in this Exhibit B (subject only to the exercise of any Flex Provisions) applicable to the Borrower and its restricted subsidiaries and be usual and customary for facilities of such kind and shall be based on the Credit Agreement dated as of December 12, 2012 (as the same has been amended from time to time), among Tempur-Pedic International Inc., Tempur-Pedic Management, LLC, Tempur-Pedic North America, LLC, Tempur Production USA, LLC, the lenders party thereto and Bank of America, N.A. as Administrative Agent, Swingline Lender and L/C Issuer, and related ancillary agreements (the "***Credit Agreement Precedent***"), (ii) reflect the operational and strategic requirements of the Borrower and its subsidiaries (together with the Target and their subsidiaries) in light of their size, geographic locations, industries, businesses and business practices, operations, financial accounting, matters disclosed in the Acquisition Agreement and the proposed business plan (including the Company's acquisition thesis), (iii) be subject to materiality qualifications and other exceptions that give effect to and/or permit the Transactions, (iv) reflect reasonable administrative, agency and operational requirements of the Administrative Agent, (v) reflect customary Loan Syndications & Trading Association EU Bail-In provisions (which shall include a provision specifying that in the event any Lender (or a direct or indirect parent company thereof) becomes subject to a "Bail-in Action", such Lender shall be deemed to be a defaulting lender for all purposes under the Facility Documentation), (vi) provide that all leases of the Company and its subsidiaries that are or would be treated as operating leases for purposes of GAAP as in effect on the Closing Date shall be accounted for as operating leases for purposes of the defined financial terms, including "Capitalized Leases" under the Facilities Documentation regardless of any change to GAAP following such date which would otherwise require such leases to be treated as capital leases, (vii) be modified to remove provisions (unless otherwise provided for herein) applicable or customarily provided for in "term loan B facilities" and (viii) be negotiated in good faith to finalize the Facilities Documentation, giving effect to the Certain Funds Provision (as defined in the Commitment Letter), as promptly as reasonably practicable (collectively, the "***Documentation Principles***"). Standards, qualifications, thresholds, exceptions, "baskets" and grace and cure periods shall be consistent with the Documentation Principles; *provided* that, except to the extent expressly set forth herein, the sizing of dollar "baskets" and thresholds shall be as agreed taking into account the foregoing and the pro forma Consolidated EBITDA for the Borrower (after giving effect to the Transactions) without regard to the "baskets" and thresholds in the applicable precedent documents. To the extent that any representations and warranties made on, or as of, the Closing Date (or a date prior thereto) are qualified by or subject to "Material Adverse Effect", the definition thereof shall be "Material Adverse Effect" as defined in the Acquisition Agreement for purposes of such representations and warranties. Counsel for the Company shall initially draft the Facilities Documentation consistent with the Documentation Principles.

Representations and Warranties:	Limited to the following (to be applicable only to the Borrower and its restricted subsidiaries): organizational existence, qualification and power; compliance with laws; authorization; no contravention; material governmental authorization and other consents; binding effect; financial statements; no material adverse effect (after the Closing Date); litigation; labor matters; ownership of property; environmental matters; taxes; ERISA compliance; subsidiaries; margin regulations; Investment Company Act; accuracy of disclosure; intellectual property; creation, validity and perfection of security interests in the Collateral (subject to permitted liens and the Certain Funds Provision); and solvency of the Borrower and its consolidated restricted subsidiaries at closing (such representation and warranty to contain a definition of solvency consistent with the solvency certificate in the form set forth in Annex I attached to Exhibit C to the Commitment Letter); PATRIOT Act, OFAC and FCPA.
Conditions Precedent to Initial Borrowing:	Subject to the Certain Funds Provision, the initial borrowings under the Facilities on the Closing Date will be subject solely to the applicable conditions precedent set forth in Exhibit C to the Commitment Letter.
Conditions Precedent to Ongoing Borrowings:	After the Closing Date, except as otherwise provided above under "Incremental Facilities", each extension of credit will be conditioned upon: delivery of a notice of borrowing (or letter of credit request in the case of Letters of Credit), accuracy of representations and warranties in all material respects (or, to the extent qualified by materiality, in all respects) and absence of defaults.
Affirmative Covenants:	Limited to the following (to be applicable only to the Borrower and its restricted subsidiaries): delivery within 90 days of each fiscal year of annual audited financial statements accompanied by an opinion of an independent accounting firm that is not subject to qualifications as to the scope of such audit, but that may contain a "going concern" statement that is due to the impending maturity of any indebtedness under any of the Facilities (including any Incremental Facilities, Incremental Equivalent Debt, Refinancing Facilities or Refinancing Equivalent Debt) or any prospective default of any financial covenant under the Facilities Documentation; delivery within 45 days of quarterly unaudited financial statements (for each of the first three (3) fiscal quarters of each fiscal year), together in the case of such annual and quarterly financial information, compliance certificates and customary management's discussion and analysis narratives; annual budgets; additional information; notices of default and certain other events that would reasonably be expected to have a material adverse effect; payment of taxes; preservation of existence; maintenance of properties; maintenance of insurance; compliance with laws; books and records; inspection rights; covenant to guarantee obligations and give security; compliance with environmental laws; designation of unrestricted subsidiaries (and re-designation as restricted subsidiaries); further assurances as to security; and use of proceeds.
Negative Covenants:	Limited to (to be applicable only to the Borrower and its restricted subsidiaries) limitations on: incurrence of liens; incurrence of indebtedness; fundamental changes; dispositions; investments (including acquisitions, loans, etc.); restricted payments in the form of dividends or distributions on, or redemption of, Borrower's equity interests; prepayments of subordinated, junior-lien or unsecured debt ("***Junior Debt***"); transactions with affiliates; restrictions on burdensome agreements; amendments to definitive documentation for material Junior Debt that are materially adverse to the Lenders; material changes in the nature of business; and changes in fiscal year.

Baskets and exceptions to the foregoing covenants will include baskets and exceptions consistent with the Documentation Principles and, in any event, include (but not be limited to) the following:

(a) (i) Indebtedness under the Facilities, Incremental Facilities, Incremental Equivalent Debt, Refinancing Facilities and Refinancing Equivalent Debt, (ii) purchase money indebtedness and capital leases in an aggregate outstanding principal amount not to exceed an amount to be determined (with a growth component based on Total Assets (to be defined in the Facilities Documentation consistent with the Documentation Principles)); (iii) intercompany debt between the Borrower and its restricted subsidiaries to the extent constituting a permitted investment; *provided* that all such indebtedness owing from a Loan Party to a non-Loan Party shall be unsecured and subordinated to the obligations under the Facilities pursuant to an intercompany note; (iv) unsecured and junior lien indebtedness subject to a Total Net Leverage Ratio no greater than 0.50x inside the level then in effect under the Leverage Ratio Covenant (defined below) (such indebtedness, "***Ratio Debt***") with a sublimit (with a Total Assets based growth component) to be mutually agreed for the Ratio Debt incurred by restricted subsidiaries that are not Guarantors; *provided* that (A) any such Ratio Debt does not mature prior to the date that is 91 days following the maturity date of the Term Loan A Facility or have a weighted average life to maturity less than the Term Loan A Facility (without giving effect to prepayments that would otherwise modify the weighted average life to maturity of the Term Loan A Facility) (B) any such Ratio Debt does not have mandatory prepayment, redemption or offer to purchase events that are earlier than the maturity date of the Term Loan A Facility (but may include customary change of control and asset sale proceeds offers), (C) such Ratio Debt either (i) does not have financial maintenance covenants or (ii) contains financial maintenance covenants that are no more restrictive than the Financial Covenants, (D) to the extent such Ratio Debt is subordinated to the Term Loan A Facility, is subject to subordination terms reasonably satisfactory to the Administrative Agent and (E) to the extent such Ratio Debt is secured on a junior basis, is subject to an intercreditor agreement reasonably satisfactory to the Administrative Agent; (v) indebtedness in an amount equal to any cash equity contribution received by the Borrower to the extent not utilized to increase other covenant exceptions (other than contributions in respect of disqualified equity); (vi) indebtedness assumed in connection with permitted acquisitions so long as, after giving pro forma effect thereto and any related specified transactions, the Borrower could incur $1.00 of Ratio Debt (subject to a cap with a Total Assets based growth component on indebtedness incurred by restricted subsidiaries that are not Guarantors to be agreed); and (vii) a general fixed dollar basket to be agreed (with a Total Assets based growth component);

(b) Liens securing (i) indebtedness permitted pursuant to subclauses (i) and (ii) of clause (a) above, (ii) permitted indebtedness assumed in connection with (but not in contemplation of) a permitted acquisition; *provided* that liens securing such indebtedness shall be subject to customary limitations on the

scope of such liens (as applies to additional assets), (iii) indebtedness permitted pursuant to subclause (iv) above (which, in the case of any liens on Collateral shall be junior to the liens securing the obligations under the Facilities and at all times subject to an intercreditor agreement in form and substance reasonably satisfactory to the Administrative Agent) and (iv) obligations not to exceed a general fixed dollar basket to be agreed (with a Total Assets based growth component);

(c) Restricted payments (i) in an unlimited amount subject to "***Payment Conditions***" to be defined as satisfaction with (A) a Total Net Leverage Ratio no greater than 2.50:1.00, (B) minimum pro forma liquidity (consisting of cash and cash equivalents on the balance sheet, together with undrawn commitments under the Revolving Facility) of at least $25,000,000 and (C) no event of default continuing or resulting therefrom, (ii) regular dividends not less than 6% per year of the net proceeds of any equity offerings (other than any Post-Closing Equity Offering), (iii) to the extent funded with the proceeds of common equity (or contributions in respect thereof) of the Borrower (other than any Post-Closing Equity Offering) and (iv) from a general restricted payments fixed dollar basket (with a Total Assets based growth component)

(d) Investments (i) in an unlimited amount subject to satisfaction of the Payment Conditions, (ii) consisting of permitted investments (including acquisitions) consistent with high yield debt securities (with exceptions for, among other things, acquisitions of restricted subsidiaries (with a cap with a Total Assets based growth basket on acquisitions of non-Loan Parties in an amount to be agreed) subject to a Total Net Leverage Ratio no greater than 0.25x inside the level then in effect under the Leverage Ratio Covenant (defined below), intercompany investments (including intercompany debt) in the Borrower or any restricted subsidiary (with a cap with a Total Assets based growth basket on investments in non-Loan Parties in an amount to be agreed), (iii) to the extent funded with the proceeds of common equity (or contributions in respect thereof) of the Borrower (other than any Post-Closing Equity Offering) and (iv) from general investment fixed dollar baskets (each with a growth component based on Total Assets);

(e) Prepayments of Junior Debt (i) in an unlimited amount subject to satisfaction of the Payment Conditions, (ii) subject to customary exceptions (including for scheduled payment of principal and interest on permitted indebtedness), (iii) to the extent funded with the proceeds of common equity (or contributions in respect thereof) of the Borrower (other than any Post-Closing Equity Offering) and (iv) from a general fixed dollar basket (with a growth component based on Consolidated Total Assets); and

(f) Subject to compliance with the mandatory prepayment or reinvestment requirements for asset sales and other dispositions of property, asset sales and other dispositions of property (i) subject to a cap of 10.0% of Total Assets for any fiscal year, for fair market value as long as at least 75% of the consideration in excess of an amount to be determined consists of cash or cash equivalents (subject to customary exceptions to the cash consideration requirement, including a basket for non-cash consideration that may be designated as cash consideration and exceptions for asset swaps and

exchanges) and no event of default has occurred and is continuing or would result therefrom and subject to pro forma compliance with the Financial Covenants, (ii) asset swaps and exchanges and (iii) dispositions of non-core assets acquired in any acquisition consummated after the Closing Date (not exceeding, for any such acquisition, 20% of the fair market value of the assets so acquired).

Financial Covenants:	Limited to (i) a maximum Total Net Leverage Ratio (the "***Leverage Ratio Covenant***") and (ii) a minimum Consolidated Cash Interest Coverage Ratio (the "***Interest Coverage Covenant***" and together with the Leverage Ratio Covenant, the "***Financial Covenants***"). The Leverage Ratio Covenant will initially be set at a Total Net Leverage Ratio of 3.75:1.00 with a single step down to a Total Net Leverage Ratio of 3.25:1.00 from and after the fiscal quarter ended June 30, 2017. The Interest Coverage Covenant will be set at 3.00:1.00. Each Financial Covenant described above will be tested with respect to the Borrower and its restricted subsidiaries on a consolidated basis on the last day of any applicable fiscal quarter ending on and after a date to be agreed upon (which date shall be no earlier than the last day of the first full fiscal quarter of the Borrower ending after the Closing Date).
Selected Financial Definitions:	"***Consolidated EBITDA***" (and component definitions, including Consolidated Net Income) will be defined giving effect to the Documentation Principles (including add-backs and deductions consistent therewith or otherwise set forth in the Company's model dated February 28, 2016 (the "***Company Model***") (together with any updates or modifications reasonably agreed between the Company and the Commitment Parties), and will include in any event, among others, adjustments or add-backs (not subject to caps) for: (a) extraordinary, unusual or non-recurring items (including all costs associated with the Transactions), (b) non-cash charges, losses or expenses, (c) all gains and losses on sales of assets outside the ordinary course of business, (d) restructuring and similar charges, severance, relocation costs, integration and facilities opening costs and other business optimization expenses, signing costs, retention or completion bonuses, transition costs, costs related to closure/consolidation of facilities and curtailments or modifications to pension and post-retirement employee benefit plans (including any settlement of pension liabilities), (e) changes in earn-out and other similar reserves, (f) currency translation gains or losses, (g) non-controlling or minority interest expense consisting of income attributable to third parties in non-wholly owned subsidiaries,

(h) non-cash costs or expenses incurred pursuant to any management equity plan, stock option plan or any other stock subscription or shareholder agreement,

(i) (x) pro forma "run rate" cost savings, operating expense reductions and synergies related to the Transactions that are reasonably identifiable, factually supportable and projected by the Borrower in good faith to result from actions that have been taken or with respect to which substantial steps have been taken or are expected to be taken (in the good faith determination of the Borrower) within 12 months after the Closing Date; and (y) pro forma "run rate" cost savings, operating expense reductions and synergies related to acquisitions, dispositions and other specified transactions (including, for the avoidance of doubt, acquisitions occurring prior to the Closing Date), restructurings, cost savings initiatives and other initiatives that are reasonably identifiable, factually supportable and projected by the Borrower in good faith to result from actions that have been taken or with respect to which substantial steps have been taken or are expected to be taken (in the good faith determination of the Borrower) within 12 months after such acquisition, disposition or other specified transaction, restructuring, cost savings initiative or other initiative); *provided* that the amount of adjustments made pursuant to clause (y) above shall not exceed an amount not less than 15% of Consolidated EBITDA for such four quarter test period as calculated prior to giving effect to such adjustments (but, for the avoidance of doubt, after giving effect to other pro forma adjustments),

(j) other adjustments and add-backs of the type identified in the Interim due diligence assistance DRAFT dated February 27, 2016 and prepared by KPMG, and

(k) other adjustments and add-backs as shall be mutually agreed or as otherwise consistent with the Documentation Principles.

"***Total Net Leverage Ratio***" means the ratio of consolidated debt of the Borrower and its consolidated restricted subsidiaries (consisting of indebtedness for borrowed money, capitalized lease obligations, purchase money debt and all guarantees of the foregoing, net of up to $50,000,000 of unrestricted cash and cash equivalents, all as set forth on the balance sheet of the Borrower and its consolidated restricted subsidiaries in accordance with GAAP) to Consolidated EBITDA of the Borrower and its consolidated restricted subsidiaries.

"***Consolidated Cash Interest Coverage Ratio***" shall mean, with respect to any test period, the ratio of (a) Consolidated EBITDA to (b) consolidated cash interest expense (net of cash interest income).

The definition of "***Indebtedness***" shall be consistent with the Documentation Principles.

In connection with any action taken solely in connection with a permitted acquisition whose consummation is not conditioned on the availability of, or on obtaining, third party financing (each, a "***Limited Condition Transaction***"), for purposes of:

(i) determining compliance with any provision of the Facilities Documentation (other than the Financial Covenants) which requires the calculation of any financial ratio or test, including the Total Net Leverage Ratio and Consolidated Cash Interest Coverage Ratio (and for the avoidance of doubt, to also include any financial ratio or test set forth in the provisions under the heading "Incremental Facilities" above);

(ii) determining compliance with representations and warranties, or a requirement regarding the absence of a default or event of default; or

(iii) testing availability under baskets set forth in the Facilities Documentation (including baskets measured as a percentage of Total Assets and baskets subject to default and event of default conditions)

in each case, at the option of the Borrower (the Borrower's election to exercise such option in connection with any Limited Condition Transaction, an "***LCT Election***"), the date of determination of whether any such action is permitted hereunder (or any requirement or condition therefor is complied with or satisfied (including as to the absence of any continuing default or event of default)) shall be deemed to be the date the definitive agreements for such Limited Condition Transaction are entered into (the "***LCT Test Date***"), and if, after giving pro forma effect to the Limited Condition Transaction and the other transactions to be entered into in connection therewith (including any incurrence of indebtedness and the use of proceeds thereof) as if they had occurred on the first day of the most recent test period ending prior to the LCT Test Date (except with respect to any incurrence or repayment of indebtedness for purposes of the calculation of any leverage-based test or ratio, which shall in each case be treated as if they had occurred on the last day of such test period), the Borrower would have been permitted to take such action on the relevant LCT Test Date in compliance with such ratio, test or basket, such ratio, test or basket shall be deemed to have been complied with (or satisfied). For the avoidance of doubt, if the Borrower has made an LCT Election and any of the ratios, tests or baskets for which compliance was determined or tested as of the LCT Test Date are exceeded as a result of fluctuations in any such ratio, test or basket, including due to fluctuations in Consolidated EBITDA of the Borrower or the person subject to such Limited Condition Transaction, at or prior to the consummation of the relevant transaction or action, such baskets, tests or ratios will not be deemed to have been exceeded as a result of such fluctuations.

If the Borrower has made an LCT Election for any Limited Condition Transaction, then in connection with any calculation of any ratio, test or basket availability with respect to the incurrence of indebtedness or liens, the making of restricted payments, the making of any permitted investment, mergers, the conveyance, lease or other transfer of all or substantially all of the assets of the Borrower, the prepayment, redemption, purchase, defeasance or other satisfaction of indebtedness, or the designation of an unrestricted subsidiary (a

	"***Subsequent Transaction***") following the relevant LCT Test Date and prior to the earlier of the date on which such Limited Condition Transaction is consummated or the date that the definitive agreement for such Limited Condition Transaction is terminated or expires without consummation of such Limited Condition Transaction, for purposes of determining whether such Subsequent Transaction is permitted under the Facilities, any such ratio, test or basket shall be required to be satisfied on a pro forma basis (i) assuming such Limited Condition Transaction and other transactions in connection therewith (including any incurrence of indebtedness and the use of proceeds thereof) have been consummated and (ii) assuming such Limited Condition Transaction and other transactions in connection therewith (including any incurrence of indebtedness and the use of proceeds thereof) have not been consummated.
<u>Unrestricted Subsidiaries</u>:	The Facilities Documentation will contain provisions pursuant to which, subject to customary limitations on investments, loans, advances to, and other investments in, unrestricted subsidiaries, the Borrower will be permitted to designate any existing or subsequently acquired or organized subsidiary as an "unrestricted subsidiary" and subsequently re-designate (subject to conditions consistent with the Documentation Principles) any such unrestricted subsidiary as a restricted subsidiary; *provided* that no event of default has occurred and is continuing or would result therefrom and subject to pro forma compliance with the Financial Covenants. Unrestricted subsidiaries will not be subject to the mandatory prepayments, representations and warranties, affirmative or negative covenants or event of default provisions of the Facilities Documentation and the results of operations and indebtedness of unrestricted subsidiaries will not be taken into account for purposes of determining any financial ratio or covenant contained in the Facilities Documentation.
<u>Events of Default</u>:	Limited to the following: nonpayment of principal, interest, fees or other amounts (with grace period of 5 business days for interest, fees and other amounts); failure to perform negative covenants and the Financial Covenants (and affirmative covenants to provide notice of default or maintain the Borrower's corporate existence); failure to perform other covenants subject to a 30-day cure period after notice from the Administrative Agent; any representation or warranty incorrect in any material respect when made or deemed made; cross-default to material indebtedness (other than under the Facilities Documentation) subject to a threshold amount; bankruptcy events or other insolvency events of the Borrower or its material restricted subsidiaries (with a customary grace period for involuntary events); monetary judgment defaults subject to a threshold amount (to the extent not covered by insurance); ERISA events subject to material adverse effect; invalidity (actual or asserted in writing by the Borrower or any Guarantor) of the Facilities Documentation or material portion of the Collateral; and Change of Control (as defined below). "***Change of Control***" means the earliest to occur of: (a) any person or persons constituting a "group" (as such term is used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended, but excluding any employee benefit plan of such person and its subsidiaries, and any person or entity acting in its capacity as trustee, agent or other fiduciary or administrator of any such plan), becomes the "beneficial owner"

(as defined in Rules 13(d)-3 and 13(d)-5 under such Act), directly or indirectly, of equity interests representing more than thirty-five (35%) of the aggregate ordinary voting power represented by the issued and outstanding equity interests of the Borrower; (b) during any period of the 12 consecutive months, the occupation of a majority of the seats (other than vacant seats) on the board of directors (or equivalent governing body) of the Borrower by persons (i) who were not members of that board or equivalent governing body on the first day of such period, (ii) whose election or nomination to that board or equivalent governing body was approved by individuals referred to in clause (i) above constituting at the time of such election or nomination at least a majority of that board or equivalent governing body or (iii) whose election or nomination to that board or other equivalent governing body was approved by individuals referred to in clauses (i) and (ii) above constituting at the time of such election or nomination at least a majority of that board or equivalent governing body; and

(c) a "change of control" (or similar event) shall occur in any document pertaining to the Incremental Equivalent Debt, Refinancing Equivalent Debt, debt incurred under the Ratio Debt Basket or any permitted refinancing thereof; *provided* that, such debt is in an aggregate outstanding principal amount in excess of a threshold to be agreed.

Voting:

Amendments and waivers of the Facilities Documentation will require the approval of Lenders holding more than 50% of the aggregate principal amount of the loans and commitments under the Facilities (the "***Required Lenders***"), except that (a) the consent of each Lender directly and adversely affected thereby shall be required with respect to (i) increases in the commitment of such Lender, (ii) reductions of principal, interest or fees, (iii) extensions of final scheduled maturity or the due date of any scheduled interest or fee payment and (iv) changes in voting thresholds and (b) the consent of 100% of the Lenders shall be required with respect to (A) releases of all or substantially all Guarantors or all or substantially all of the Collateral (other than in connection with permitted asset sales) and (B) amendments to the *pro rata* payments or sharing of payment provisions. Defaulting Lenders will be subject to the suspension of certain voting rights. The Facilities Documentation will contain customary protections for the Administrative Agent, the Swingline Lender and each Issuing Bank.

Notwithstanding the foregoing, certain amendments and waivers of the Facilities Documentation that affect solely the Lenders under a particular facility or tranche and not directly and adversely affect any other Lender (including waiver or modification of conditions to extensions of credit under the Revolving Facility or Incremental Facility, as applicable, and pricing or other modifications) will, as agreed upon, require only the consent of Lenders holding more than 50% of the aggregate commitments or loans, as applicable, under such facility or tranche and no other consents or approvals shall be required.

The Facilities Documentation will permit amendments thereof without the approval or consent of the Lenders to effect a permitted "repricing transaction" (i.e., a transaction in which any tranche of Term Loans is refinanced with a

	replacement tranche of term loans, or is modified with the effect of, bearing a lower rate of interest) other than any Lender holding Term Loans subject to such "repricing transaction" that will continue as a Lender in respect of the repriced tranche of Term Loans or modified Term Loans. Modifications to provisions requiring non-*pro rata* distributions and commitment reductions will be permitted in connection with loan buy back or similar programs, "amend and extend" transactions or the addition of one or more tranches of debt and the like as permitted by the Facilities Documentation. In addition, if the Administrative Agent and the Borrower shall have jointly identified an obvious error or any error or omission of a technical nature in the Facilities Documentation for either of the Facilities, then the Administrative Agent and the Borrower shall be permitted to amend such provision without any further action or consent of any other party.
Cost and Yield Protection:	The Facilities Documentation shall contain customary provisions (a) protecting the Lenders against increased costs or loss of yield resulting from changes in reserve, capital adequacy and other requirements of law and from the imposition of or changes in certain withholding or other taxes (it being understood that the Dodd Frank Wall Street Reform and Consumer Protection Act and Basel III and all regulations, interpretations and directives thereunder shall be deemed to be a change in law if, and only if, it is the Lender's general policy or practice to demand compensation in similar circumstances under comparable provisions of other financing agreements) and (b) indemnifying the Lenders for "breakage costs" incurred in connection with, among other things, any prepayment of a LIBOR borrowing on a day prior to the last day of an interest period with respect thereto, it being understood that the gross-up obligations shall not apply to U.S. federal withholding taxes imposed by Sections 1471 through 1474 of the Internal Revenue Code as of the Closing Date (and any amended or successor provisions to the extent substantively comparable thereto and not materially more onerous to comply with) and any regulations promulgated thereunder or official guidance issued pursuant thereto including any intergovernmental agreements.
Assignments and Participations:	The Lenders will be permitted to assign (other than to natural persons or any Disqualified Institution to the extent the identity of such Disqualified Institution has been made available to all Lenders) (a) loans under the Term Facilities with the consent of the Borrower (not to be unreasonably withheld, conditioned or delayed), and (b) loans and commitments under the Revolving Facility with the consent of the Borrower and each Issuing Bank (in each case not to be unreasonably withheld, conditioned or delayed); *provided* that no consent of the Borrower shall be required (i) under the Term Facilities if such assignment is made to another Lender or an affiliate or approved fund of a Lender or (ii) after the occurrence and during the continuance of a payment or bankruptcy event of default. All assignments will require the consent of the Administrative Agent, not to be unreasonably withheld, conditioned or delayed. Each assignment will be in an amount of an integral multiple of $5,000,000 with respect to the Revolving Facility and the Term Loan A Facility or, in each case, if less, all of such Lender's remaining loans and

commitments of the applicable class. Assignments will be by novation and will not be required to be *pro rata* among the Facilities. An assignment fee in the amount of $3,500 shall be paid by the respective assignor or assignee to the Administrative Agent. Pledges of loans shall be permitted.

The Lenders will be permitted to sell participations (other than to natural persons or any Disqualified Institution to the extent the identity of such Disqualified Institution has been made available, with the consent of the Borrower, to all Lenders) in loans and commitments without consent being required, subject to customary limitations. Voting rights of participants shall be limited to matters in respect of (a) increases in commitments participated to such participants, (b) reductions of principal, interest or fees, (c) extensions of final maturity or the due date of any amortization, interest or fee payment, (d) releases of the guarantees of all or substantially all Guarantors guaranteeing the participated tranche or all or substantially all of the Collateral securing the participated tranche, and (e) changes in voting threshold. Participants will have customary rights with respect to yield protection and increased costs.

In no event will the Administrative Agent have responsibility for monitoring the list of Disqualified Institutions.

The Facilities Documentation shall provide that so long as no event of default is continuing Term Loans may be purchased by and assigned to the Borrower or any of its subsidiaries on a non-*pro rata* basis through Dutch auctions open to all Lenders on a *pro rata* basis in accordance with customary procedures; *provided* that (1) no event of default shall have occurred and be continuing, (2) any such Term Loans acquired by the Borrower or any of its subsidiaries shall be retired and cancelled promptly upon acquisition thereof (or contribution thereto, including as contemplated by the preceding paragraph), (3) no proceeds from any loan under the Revolving Facilities shall be used to fund such assignments and (4) the Borrower shall represent and warrant to the holders of the Term Loans, or shall make a statement that such representation and warranty cannot be made, that it does not possess material non-public information with respect to the Borrower and its subsidiaries that has not been disclosed to the holders of the Term Loans generally (other than holders that have elected not to receive such information).

The Facilities Documentation will contain customary provisions allowing the Borrower to replace a Lender in connection with amendments and waivers requiring the consent of all Lenders or of all Lenders directly and adversely affected thereby (so long as the Required Lenders have approved the amendment or waiver), increased costs, taxes, etc. and Defaulting Lenders.

<u>Expenses and Indemnification</u>:

The Borrower shall pay, if the Closing Date occurs, all reasonable and documented out-of-pocket expenses of the Administrative Agent and the Lead Arrangers (within 30 days of a written demand therefor, together with backup documentation supporting such reimbursement request) (a) associated with the syndication of the Facilities and the preparation, execution, delivery and administration of the Facilities Documentation and any amendment or waiver with respect thereto (but limited, in the case of legal fees and expenses, to the

	reasonable and documented fees, disbursements and other charges of one counsel to the Administrative Agent and the Lead Arrangers taken as a whole and, if necessary, of one local counsel in any relevant jurisdiction) and (b) in connection with the enforcement of the Facilities Documentation or protection of rights thereunder (but limited, in the case of legal fees and expenses, to the reasonable and documented fees, disbursements and other charges of one counsel to the Administrative Agent and the Lenders taken as a whole, and, if necessary, of one local counsel to the Administrative Agent and the Lenders taken as a whole in any relevant jurisdiction and additional counsel for each group of similarly situated parties in the event of a conflict of interest). The Administrative Agent, the Lead Arrangers and the Lenders (and their affiliates and controlling persons and their respective officers, directors, members, partners, employees, advisors, agents and other representatives) (each, an "***indemnified person***") will be indemnified for and held harmless against, any losses, claims, damages, liabilities or out-of-pocket expenses (but limited, in the case of legal fees and expenses, to the reasonable and documented out-of-pocket fees, disbursements and other charges of one counsel to all indemnified persons taken as a whole and, solely in the case of a conflict of interest, one additional counsel in each relevant jurisdiction to the affected indemnified persons similarly situated taken as a whole, and, if reasonably necessary, one local counsel to all indemnified persons taken as a whole in any relevant jurisdiction) incurred in respect of the Facilities or the use or the proposed use of proceeds thereof, except to the extent they (a) relate to any taxes other than (i) taxes that represent losses, claims, damages, liabilities or expenses arising from any non-tax claim or (ii) taxes for which indemnification is provided under "Cost and Yield Protection" above, or (b) arise from the gross negligence, bad faith or willful misconduct of, or material breach of the Facilities Documentation by, the relevant indemnified person or any of its Related Indemnified Persons as determined by a final, non-appealable judgment of a court of competent jurisdiction or any dispute solely among the indemnified persons other than any claims against an indemnified person in its capacity as an administrative agent or arranger or any similar role under the Facilities and other than any claims arising out of any act or omission of the Borrower or any of its affiliates, *provided* that the Borrower shall not be liable for any indirect, special, punitive or consequential damages (other than in respect of any such damages incurred or paid by an indemnified person to a third party). Notwithstanding the foregoing, each indemnified person (and its Related Indemnified Persons) shall be obligated to refund and/or return promptly any and all amounts paid by the Borrower or any of its affiliates under this paragraph to such indemnified person (or its Related Indemnified Persons) for any such losses, claims, damages, liabilities and expenses to the extent such indemnified person (or its Related Indemnified Persons) is not entitled to payment of such amounts in accordance with the terms hereof.
Governing Law and Forum:	New York.
Counsel to the Commitment Parties and Lead Arrangers:	Cahill Gordon & Reindel LLP.

Interest Rates:

The interest rates under the Facilities will be as follows:

At the option of the Borrower, initially, Adjusted LIBOR plus 3.00% or ABR plus 2.00%. From and after the delivery by the Borrower to the Administrative Agent of the Borrower's financial statements for the period ending at least one full fiscal quarter following the Closing Date, interest rates under the Facilities shall be determined pursuant to the pricing grid set forth below:

Total Net Leverage Ratio	Adjusted LIBOR	ABR
>2.50x	3.00%	2.00%
>2.00x to ≤ 2.50x	2.50%	1.50%
≤2.00x	2.00%	1.00%

The Borrower may elect interest periods of 1, 2, 3 or 6 months (or, if agreed by all relevant Lenders, 12 months or a shorter period) for Adjusted LIBOR borrowings.

Calculation of interest shall be on the basis of the actual days elapsed in a year of 360 days (or 365 or 366 days, as the case may be, in the case of ABR loans) and interest shall be payable (i) in the case of Adjusted LIBOR loans, at the end of each interest period and, in any event, at least every three months and (ii) in the case of ABR loans, quarterly in arrears.

ABR is the Alternate Base Rate, which is the highest of the Administrative Agent's Prime Rate, the Federal Funds Effective Rate plus 1/2 of 1.00% and one-month Adjusted LIBOR plus 1.00%.

Adjusted LIBOR is the London interbank offered rate for U.S. dollars, adjusted for customary Eurodollar reserve requirements, if any, and subject to a floor of 0.0% per annum.

Letter of Credit Fee:

A per annum fee equal to the spread over Adjusted LIBOR under the Revolving Facility will accrue on the aggregate face amount of outstanding letters of credit under the Revolving Facility, payable in arrears at the end of each quarter and upon the termination of the Revolving Facility, in each case for the actual number of days elapsed over a 360-day year. Such fees shall be distributed to the Lenders participating in the Revolving Facility *pro rata* in accordance with the amount of each such Lender's Revolving Facility commitment. In addition, the Borrower shall pay to the applicable Issuing Bank, for its own account, (a) a fronting fee equal to 0.125% of the aggregate face amount of outstanding letters of credit, payable in arrears at the end of each quarter and upon the termination of the Revolving Facility, calculated based upon the actual number of days elapsed over a 360-day year, and (b) customary issuance and administration fees.

Commitment Fees: 0.50% per annum on the average daily undrawn portion (excluding for purposes of such calculation any drawing of swingline loans) of the commitments in respect of the Revolving Facility, payable to the Lenders under the Revolving Facility (other than Defaulting Lenders) quarterly in arrears after the Closing Date and upon the termination of the commitments, calculated based on the number of days elapsed in a 360-day year.

From and after the delivery by the Borrower to the Administrative Agent of the Borrower's financial statements for the period ending at least one full fiscal quarter following the Closing Date, commitment fees under the Revolving Facility shall be determined pursuant to the pricing grid set forth below

Total Net Leverage Ratio	Commitment Fee
>2.50x	0.50%
>2.00x to ≤ 2.50x	0.40%
≤2.00x	0.30%

EXHIBIT C

Project Wild

$265,000,000 Term Loan A Facility
$75,000,000 Revolving Facility

Conditions Precedent[3]

Except as otherwise set forth below, subject to the Certain Funds Provision, the initial borrowing on the Closing Date under each of the Facilities shall be subject to the following conditions precedent:

1. Since the date hereof, except as set forth in the disclosure schedules to the Acquisition Agreement, there shall not have been a Material Adverse Effect (as defined in, and interpreted pursuant to, the Acquisition Agreement as in effect on the date hereof) (a "***Target Material Adverse Effect***") or the occurrence of any change, effect, event, occurrence, state of facts or development, which would, individually or in the aggregate, be reasonably likely to have a Target Material Adverse Effect.

2. The Acquisition shall have been consummated, or shall be consummated substantially concurrently with the initial borrowing under any of the Facilities. The Acquisition Agreement shall not have been amended or waived, and no consents shall have been given with respect thereto, in each case, in any material respect by you or your subsidiaries in a manner materially adverse to the Initial Lenders or the Lead Arrangers (in each case, in their capacity as such) without the consent of the Lead Arrangers (such consent not to be unreasonably withheld, conditioned or delayed); *provided* that (a) any amendment, waiver or consent that results in a change in the amount of consideration required to consummate the Acquisition shall be deemed not to be materially adverse to the Initial Lenders or the Lead Arrangers so long as (i) subject to clause (d) below, any reduction shall be applied to reduce the Term Loan A Facility, the use of cash from the Company's balance sheet and the proceeds from any common equity issuance (if any) on a *pro rata* basis and (ii) any increase is funded by cash on the Company's balance sheet or the proceeds of common equity of the Company, (b) the granting of any consent under the Acquisition Agreement that is not materially adverse to the interests of the Initial Lenders or the Lead Arrangers shall not otherwise constitute an amendment or waiver, (c) any change to the definition of "Material Adverse Effect" in the Acquisition Agreement shall be deemed materially adverse to the Initial Lenders and the Lead Arrangers and (d) any reduction in the purchase price of the Acquisition in excess of 10% shall be deemed materially adverse to the Initial Lenders and the Lead Arrangers.

3. The Refinancing shall have been consummated, or shall be consummated substantially concurrently with the initial borrowing under any of the Facilities.

4. The Lead Arrangers shall have received (a) audited consolidated balance sheets and related statements of comprehensive income, shareholders' equity and cash flows of the Company for the fiscal years ended June 30, 2013, June 30, 2014 and June 30, 2015 (it being understood that the Lead Arrangers acknowledge receipt of such audited financial statements for the fiscal years of the Company ended June 30, 2013, June 30, 2014 and June 30, 2015) and (b) unaudited consolidated balance sheets and

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3 All capitalized terms used but not defined herein have the meanings given to them in the Commitment Letter to which this Exhibit is attached, including the other Exhibits thereto. In the event any such capitalized term is subject to multiple and differing definitions, the appropriate meaning thereof in this Exhibit shall be determined by reference to the context in which it is used.

related consolidated statements of comprehensive income and cash flows for the Company for (1) the fiscal quarters of the Company ended September 30, 2015 and December 31, 2015 (it being understood that the Lead Arrangers acknowledge receipt of such financial statements for the fiscal quarters of the Company ended September 30, 2015 and December 31, 2015) and (2) each subsequent fiscal quarter (other than the fourth fiscal quarter) of the Company ended at least 45 days prior to the Closing Date.

5. The Lead Arrangers shall have received (a) the audited consolidated balance sheet of the Target as of September 27, 2015 and September 28, 2014 and consolidated statement of profit and loss of the Target for the fiscal years ended September 27, 2015, September 28, 2014 and September 29, 2013 (it being understood that the Lead Arrangers acknowledge receipt of such audited financial statements for the fiscal years of the Target ended September 27, 2015, September 28, 2014 and September 29, 2013) and (b) the consolidated unaudited balance sheet and related consolidated statement of profit and loss and cash flows of the Target, reviewed by PricewaterhouseCoopers LLP in accordance with the Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants, for (1) the fiscal quarter of the Target ended January 3, 2016 and (2) each subsequent fiscal quarter (other than the fourth fiscal quarter) of the Target ended at least 45 days prior to the Closing Date.

6. The Lead Arrangers shall have received a pro forma balance sheet and related pro forma statement of income of the Company and its subsidiaries (including the Target) as of and for the twelve-month period ending on the last day of the most recently completed four-fiscal quarter period of the Company ended at least 45 days (or 90 days in case such four-fiscal quarter period is the end of the Borrower's fiscal year) prior to the Closing Date, prepared after giving effect to the Transactions as if the Transactions had occurred as of such date (in the case of such balance sheet) or at the beginning of such period (in the case of the statement of income).

7. With respect to each Facility, (i) the execution and delivery by the Borrower and the Guarantors of the Facilities Documentation which shall, in each case, be in accordance with the terms of the Commitment Letter and the applicable Term Sheets and subject to the Certain Funds Provision and the Documentation Principles and (ii) subject to the Certain Funds Provision, delivery to the Lead Arrangers of (a) customary legal opinions, (b) customary evidence of authority, (c) customary officer's certificates, (d) good standing certificates (or the equivalent) in the respective jurisdictions of organization of the Borrower and the Guarantors, (e) customary borrowing requests and (f) a solvency certificate, substantially in the form set forth in Annex I attached to this Exhibit C, from the chief financial officer or chief accounting officer or other officer with equivalent duties of the Borrower (the deliverables set forth in clauses (a) through (f), collectively the "***Closing Deliverables***").

8. With respect to the Facilities, all documents and instruments required to perfect the Administrative Agent's security interests in the Collateral shall have been executed and delivered and, if applicable, be in proper form for filing; *provided*, *however*, that this condition is subject in all respects to the Certain Funds Provision.

9. The Lead Arrangers shall have been afforded a period (the "***Marketing Period***") of at least fifteen (15) consecutive Business Days (as defined in the Acquisition Agreement), following receipt of the financial statements referred to in paragraphs 4, 5 and 6 above and the other information customarily delivered by a borrower and necessary for the preparation of a confidential information memorandum for a senior secured revolving and term loan A financing, to syndicate the Facilities; *provided* that, for the avoidance of doubt, delivery of financial statements pursuant to clause (b)(2) of paragraph 4, clause (b)(2) of paragraph 5, or pro forma financial statements pursuant to paragraph 6, subsequent to the Marketing Period having already commenced based on prior deliveries pursuant to paragraphs 4, 5 and 6, shall not restart the Marketing Period.

10. The Administrative Agent shall have received, at least three business days prior to the Closing Date, all documentation and other information about the Borrower and the Guarantors required under applicable "know your customer" and anti-money laundering rules and regulations, including the PATRIOT Act, that has been requested in writing at least ten business days prior to the Closing Date.

11. You shall have paid (or caused to be paid) all fees and expenses due to the Commitment Parties under the Commitment Letter and the Fee Letter and required to be paid on the Closing Date, to the extent invoiced at least three business days prior to the Closing Date (except as otherwise reasonably agreed by the Borrower).

12. The Specified Representations shall be true and correct in all material respects (except for representations and warranties that are already qualified by materiality, which representations and warranties shall be true and correct after giving effect to such materiality qualifier).

13. The Specified Acquisition Agreement Representations shall be true and correct in all material respects, but only to the extent that you have (or your applicable affiliate has) the right (taking into account any applicable cure provisions), pursuant to the Acquisition Agreement, to terminate your (or its) obligations under the Acquisition Agreement to consummate the Acquisition (or the right not to consummate the Acquisition pursuant to the Acquisition Agreement) as a result of a breach of such Specified Acquisition Agreement Representations.

[FORM OF]
SOLVENCY CERTIFICATE
of
[BORROWER]
AND ITS RESTRICTED SUBSIDIARIES

Pursuant to the Credit Agreement[4], the undersigned hereby certifies, solely in such undersigned's capacity as [chief financial officer] [chief accounting officer] [*specify other officer with equivalent duties*] of the Borrower, and not individually, as follows:

I am generally familiar with the businesses and assets of the Borrower and its Restricted Subsidiaries, taken as a whole, and am duly authorized to execute this Solvency Certificate on behalf of the Borrower pursuant to the Credit Agreement. As of the date hereof, after giving effect to the consummation of the Transactions, including the making of the Loans under the Credit Agreement, on the date hereof, and after giving effect to the application of the proceeds of such indebtedness:

a. The fair value of the assets of the Borrower and its restricted subsidiaries, on a consolidated basis, exceeds, on a consolidated basis, their debts and liabilities, subordinated, contingent or otherwise;

b. The present fair saleable value of the property of the Borrower and its restricted 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;

c. The Borrower and its restricted subsidiaries, on a consolidated basis, are able to pay their debts and liabilities, subordinated, contingent or otherwise, as such liabilities become absolute and matured; and

d. The Borrower and its restricted subsidiaries, on a consolidated basis, are not engaged in, and are not about to engage in, business for which they have unreasonably small capital.

For purposes of this Certificate, the amount of any contingent liability at any time shall be computed as the amount that would reasonably be expected to become an actual and matured liability. Capitalized terms used but not otherwise defined herein shall have the meanings assigned to them in the Credit Agreement, as applicable.

[*Signature Page Follows*]

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4 Credit Agreement to be defined.

IN WITNESS WHEREOF, the undersigned has executed this Certificate in such undersigned's capacity as [chief financial officer] [chief accounting officer] [*specify other officer with equivalent duties*] of the Borrower, on behalf of the Borrower, and not individually, as of the date first stated above.

[BORROWER]

By: ______________________________
Name:
Title:

Bank of America, N.A.
Merrill Lynch, Pierce, Fenner & Smith Incorporated
One Bryant Park
New York, New York 10036

Citibank, N.A.
399 Park Avenue
New York, NY 10022

KeyBank National Association
KeyBanc Capital Markets Inc.
127 Public Square
Cleveland, Ohio 44114

SunTrust Bank
SunTrust Robinson Humphrey, Inc.
3333 Peachtree Road Northeast
Atlanta, Georgia 30326

CONFIDENTIAL

March 31, 2016

Mercury Systems, Inc.
201 Riverneck Road
Chelmsford, MA 01824
Attention: Gerald M. Haines II

Re: Amendment to Commitment Letter (Project Wild)

Ladies and Gentlemen:

Reference is hereby made to that certain Commitment Letter, dated March 23, 2016 (including the exhibits thereto, collectively the "Commitment Letter"), by and among Mercury Systems, Inc. ("you" or the "Company") and the Commitment Parties. Capitalized terms used herein but not defined herein shall take their respective meanings from the Commitment Letter. You and the Commitment Parties desire to enter into this letter agreement (this "Amendment") in order to amend the provisions of the Commitment Letter as set forth herein.

1. Amendment to Commitment Letter.

(a) Clause (b) of Exhibit A of the Commitment Letter is hereby amended by deleting it in its entirety and replacing it with "the Borrower will obtain the senior secured credit facilities described in the Summary of Principal Terms and Conditions attached as Exhibit B to the Commitment Letter (the "***Facilities Term Sheet***") in an aggregate principal amount of $340.0 million, comprised of a $265.0 million term loan A facility (the "***Term Loan A Facility***") available to the Borrower and a $75.0 million revolving credit facility (the "***Revolving Facility***"); *provided* that the amount of the Term Loan A Facility shall be reduced dollar for dollar by the net cash proceeds (if any) received by the Borrower prior to or on the Closing Date from any Pre-Closing Equity Offering (as defined below); *provided further*, that the Term Loan A Facility shall not be reduced to less than $200.0 million, notwithstanding the amount of net cash proceeds received from any Pre-Closing Equity Offering.".

(b) Clause (A) under "Facilities:" of Exhibit B of the Commitment Letter is hereby amended by deleting it in its entirety and replacing it with "A senior secured term loan A facility in an aggregate principal amount of $265.0 million (the "***Term Loan A Facility***"; the loans thereunder, the "***Term Loans***"); *provided* that the amount of the Term Loan A Facility shall be reduced dollar for dollar by the net cash proceeds (if any) received by the Borrower prior to or on the Closing Date from any Pre-Closing Equity Offering (as defined in Exhibit A); *provided further*, that the Term Loan A Facility shall not be reduced to less than $200.0 million, notwithstanding the amount of net cash proceeds received from any Pre-Closing Equity Offering." .

2. Effectiveness. This Amendment will become effective upon receipt by each party hereto of executed signature pages hereto from each other party hereto.

3. Counterparts. This Amendment may be executed in any number of counterparts and by different parties hereto on separate counterparts, each of which when so executed and delivered shall be deemed to be an original, but all of which when taken together shall constitute a single instrument. Delivery of an executed counterpart of a signature page of this Amendment by facsimile transmission or ".pdf" file shall be effective as delivery of a manually executed counterpart hereof.

4. Headings. The headings of this Amendment are for purposes of reference only and shall not limit or otherwise affect the meaning hereof.

5. 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 parties hereto under the Commitment Letter and (ii) this Amendment shall not alter, modify, amend or in any way affect any of the terms, conditions, obligations, covenants or agreements contained in the Commitment Letter or any other provision of the Commitment Letter, all of which are ratified and affirmed in all respects and shall continue in full force and effect. After the date hereof, any reference to the Commitment Letter shall mean the Commitment Letter, as modified hereby.

6. Jurisdiction and Application of Law. This Amendment shall be governed by, and construed and interpreted in accordance with, the laws of the State of New York.

[Remainder of this page 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.

BANK OF AMERICA, N.A.

By: /s/ Monica Sevila
Name: Monica Sevila
Title: Senior Vice President

MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED

By: /s/ D. Clay Hall
Name: D. Clay Hall
Title: Director

CITIBANK, N.A.

By: /s/ Michael Berry
Name: Michael Berry
Title: Authorized Signatory

KEYBANK NATIONAL ASSOCIATION

By: /s/ Robyn E. Roof
Name: Robyn E. Roof
Title: Managing Director

KEYBANC CAPITAL MARKETS INC.

By: /s/ Robyn E. Roof
Name: Robyn E. Roof
Title: Managing Director

SUNTRUST BANK

By: /s/ Thomas Parrott
Name: Thomas Parrott
Title: Managing Director

SUNTRUST ROBINSON HUMPHREY, INC.

By: /s/ Michael Chung
Name: Michael Chung
Title: Director

Accepted and agreed to as of
the date first above written:

MERCURY SYSTEMS, INC.

/s/ Gerald M. Haines

Name: Gerald M. Haines II
Title: Executive Vice President & Chief Financial Officer

Exhibit 23.1

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the incorporation by reference in the Registration Statements (Nos. 333-53291, 333-101993, 333-112990, 333-124294, 333-129929, 333-139019, 333-139020, 333-149046, 333-156364, 333-163705, 333-163707, 333-172775, 333-177770, 333-177771, 333-183240, 333-183240, 333-184756, 333-192161, 333-199917, 333-209383, and 333-209384) on Form S-8 and the Registration Statement on Form S-3 (No. 333-198180) of Mercury Systems, Inc. of our report dated March 22, 2016 relating to the financial statements of Microsemi LLC – RF Integrated Solutions and its subsidiaries, which appears in this Current Report on Form 8-K of Mercury Systems, Inc.

/s/ PricewaterhouseCoopers LLP
Irvine, California
April 4, 2016

Exhibit 99.1

News Release

Mercury Systems Announces Common Stock Offering to Fund a Portion of its Proposed Acquisition of the Embedded Security, RF and Microwave, and Custom Microelectronics Businesses from Microsemi Corporation

CHELMSFORD, Mass. – April 4, 2016 – Mercury Systems, Inc. (NASDAQ: MRCY) ("Mercury" or the "Company"), today announced that it intends to offer, subject to market and other conditions, 4,500,000 shares of its common stock pursuant to an underwritten public offering. In connection with the offering, Mercury will grant the underwriters an option for 30 days to purchase up to an additional 15% of the total shares of its common stock sold in the offering.

The Company intends to use the net proceeds of the offering to fund a portion of the Company's proposed acquisition of the embedded security, RF and microwave, and custom microelectronics businesses of Microsemi (the "Carve-Out Business") pursuant to the previously announced Purchase Agreement dated as of March 23, 2016 and to pay related expenses and for general corporate purposes; however, the common stock offering is not conditioned on the closing of such acquisition of the Carve-Out Business.

Citigroup Global Markets Inc. and BofA Merrill Lynch are acting as joint book-running managers and representatives of the underwriters for the common stock offering. KeyBanc Capital Markets is also acting as a joint book-running manager for the common stock offering.

This offering is being made pursuant to an effective shelf registration statement previously filed with the U.S. Securities and Exchange Commission ("SEC") on August 15, 2014, and a preliminary prospectus supplement filed with the SEC on April 4, 2016, copies of which may be obtained from Citigroup, c/o Broadridge Financial Solutions, 1155 Long Island Avenue, Edgewood, NY 11717 or telephone: (800) 831-9146, BofA Merrill Lynch, 222 Broadway, New York, NY 10038, Attn: Prospectus Department or email: dg.prospectus_requests@baml.com or KeyBanc Capital Markets, Attention: Prospectus Delivery Department, 127 Public Square, 4th Floor, Cleveland, OH 44114 or telephone: (800) 859-1783 or through the SEC's website at www.sec.gov. Before you invest, you should read the prospectus in the registration statement and other documents Mercury has filed with the SEC for more complete information about Mercury and the offering.

The offering is subject to market and other conditions and there can be no assurance as to whether or when the offering may be completed, or as to the actual size or terms of the offering.

This press release shall not constitute an offer to sell or the solicitation of an offer to buy any securities of Mercury, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation, or sale would be unlawful prior to the registration or qualification under the securities law jurisdiction.

Mercury Systems – Innovation That Matters™

Mercury Systems (NASDAQ: MRCY) is a leading commercial provider of secure processing subsystems designed and made in the USA. Optimized for customer and mission success, Mercury's solutions power a wide variety of critical defense and intelligence programs. Headquartered in Chelmsford, Mass., Mercury is pioneering a next-generation defense electronics business model specifically designed to meet the industry's current and emerging technology needs.

Forward-Looking Safe Harbor Statement

This press release contains certain forward-looking statements, as that term is defined in the Private Securities Litigation Reform Act of 1995, including those relating to the transactions described herein. You can identify these statements by the use of the words "may," "will," "could," "should," "would," "plans," "expects," "anticipates," "continue," "estimate," "project," "intend," "likely," "forecast," "probable," "potential," and similar expressions. These forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from those projected or anticipated. Such risks and uncertainties include, but are not limited to, continued funding of defense programs, the timing and amounts of such funding, general economic and business conditions, including unforeseen weakness in the Company's markets, effects of continued geopolitical unrest and regional conflicts, competition, changes in technology and methods of marketing, delays in completing engineering and manufacturing programs, changes in customer order patterns, changes in product mix, continued success in technological advances and delivering technological innovations, changes in, or in the U.S. Government's interpretation of, federal export control or procurement rules and regulations, market acceptance of the Company's products, shortages in components, production delays or unanticipated expenses due to performance quality issues with outsourced components, inability to fully realize the expected benefits from acquisitions and restructurings, or delays in realizing such benefits, challenges in integrating acquired businesses and achieving anticipated synergies, changes to export regulations, increases in tax rates, changes to generally accepted accounting principles, difficulties in retaining key employees and customers, unanticipated costs under fixed-price service and system integration engagements, and various other factors beyond our control; our ability to complete the other financing transactions necessary to consummate and fund the acquisition of the Carve-Out Business; failure to integrate and achieve expected benefits of the acquisition of the Carve-Out Business; incurrence of significant expenses to acquire and integrate the Carve-Out Business; decline in market price of the Company's common stock as a result of the acquisition of the Carve-Out Business; risks relating to the combined company's substantial indebtedness following the

completion of the acquisition; delay or failure in completing the acquisition; and other risks that are described. These risks and uncertainties also include such additional risk factors as are discussed in the Company's filings with the SEC, including its Annual Report on Form 10-K for the fiscal year ended June 30, 2015. The Company cautions readers not to place undue reliance upon any such forward-looking statements, which speak only as of the date made. The Company undertakes no obligation to update any forward-looking statement to reflect events or circumstances after the date on which such statement is made.

# # #

Contact:
Gerry Haines, CFO
Mercury Systems, Inc.
978-967-1990

Exhibit 99.2

MICROSEMI LLC - RF INTEGRATED SOLUTIONS AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS AND FOOTNOTES

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Independent Auditor's Report

To the Board of Directors and Management of Microsemi LLC - RF Integrated Solutions:

We have audited the accompanying consolidated financial statements of Microsemi LLC - RF Integrated Solutions and its subsidiaries, which comprise the consolidated balance sheets as of September 27, 2015 and September 28, 2014, and the related consolidated statements of operations and comprehensive income, consolidated statements of changes of invested equity and consolidated statements of cash flows for the years ended September 27, 2015, September 28, 2014 and September 29, 2013.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Microsemi LLC - RF Integrated Solutions and its subsidiaries as of September 27, 2015 and September 28, 2014, and the results of their operations and their cash flows for the years ended September 27, 2015, September 28, 2014 and September 29, 2013, in accordance with accounting principles generally accepted in the United States of America.

/s/ PricewaterhouseCoopers LLP
Irvine, California
March 22, 2016

Microsemi LLC - RF Integrated Solutions and its Subsidiaries
Consolidated Balance Sheets
(amounts in thousands)

	September 27, 2015	September 28, 2014
Assets		
Current assets:		
Accounts receivable, net of allowances of $449 at September 27, 2015 and $673 at September 28, 2014	$ 25,417	$ 19,840
Inventories	25,563	26,420
Prepaid expenses	871	701
Deferred income taxes, net	2,785	3,439
Total current assets	54,636	50,400
Property and equipment, net	10,905	12,467
Goodwill	75,613	75,613
Intangible assets, net	12,806	20,817
Other assets	85	316
Total assets	$ 154,045	$ 159,613
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	$ 7,775	$ 5,478
Accrued liabilities	2,435	3,819
Total current liabilities	10,210	9,297
Deferred income taxes	2,785	5,285
Deferred rent	935	1,048
Other long term liabilities	138	139
Commitments and contingencies (Note 10)		
Invested equity:		
Microsemi net investment	139,977	143,844
Total stockholders' equity	139,977	143,844
Total liabilities and stockholders' equity	$ 154,045	$ 159,613

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

Microsemi LLC - RF Integrated Solutions and its Subsidiaries
Consolidated Statements of Operations and Comprehensive Income
(amounts in thousands)

	Year Ended		
	September 27, 2015	September 28, 2014	September 29, 2013
Net sales	$ 99,445	$ 87,209	$ 93,623
Costs and expenses:			
Cost of sales	52,183	51,945	54,850
Selling, general and administrative	9,238	11,891	13,474
Research and development	10,204	10,890	13,166
Amortization of intangible assets	8,011	10,828	10,861
Allocated costs (See Note 2)	9,020	6,389	5,440
Restructuring and severance charges	355	1,059	1,073
Total costs and operating expenses	89,011	93,002	98,864
Operating income (loss)	10,434	(5,793)	(5,241)
Other income (expense), net	52	—	(212)
Income (loss) before income taxes	10,486	(5,793)	(5,453)
Income tax provision (benefit)	4,095	(2,734)	(2,211)
Net income (loss)	$ 6,391	$ (3,059)	$ (3,242)
Other comprehensive income	$ —	$ —	$ —
Total comprehensive income (loss)	$ 6,391	$ (3,059)	$ (3,242)

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

Microsemi LLC - RF Integrated Solutions and its Subsidiaries
Consolidated Statements of Changes in Invested Equity
(amounts in thousands)

Invested equity, September 30, 2012	156,107
Net loss	(3,242)
Net transfers to Microsemi	(1,853)
Invested equity, September 29, 2013	151,012
Net loss	(3,059)
Net transfers to Microsemi	(4,109)
Invested equity, September 28, 2014	143,844
Net income	6,391
Net transfers to Microsemi	(10,258)
Invested equity, September 27, 2015	139,977

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

Microsemi LLC - RF Integrated Solutions and its Subsidiaries
Consolidated Statements of Cash Flows
(amounts in thousands)

	Year Ended		
	September 27, 2015	September 28, 2014	September 29, 2013
Cash flows from operating activities:			
Net income (loss)	$ 6,391	$ (3,059)	$ (3,242)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Depreciation and amortization	11,274	14,275	14,788
Change in allowance for doubtful accounts	224	50	(516)
Charge for stock-based compensation	1,578	2,135	2,252
Deferred income taxes	(1,845)	(3,560)	(2,315)
Change in assets and liabilities:			
Accounts receivable	(5,802)	(280)	1,542
Inventories	857	(2,698)	(111)
Prepaid expenses	(170)	998	(541)
Other assets	232	153	344
Accounts payable	2,296	(1,679)	(314)
Accrued liabilities	(1,385)	27	(2,769)
Deferred rent	(113)	(129)	(51)
Other long term liabilities	—	(10)	148
Net cash provided by operating activities	13,537	6,223	9,215
Cash flows from investing activities:			
Purchases of property and equipment	(1,866)	(1,860)	(5,168)
Net cash used in investing activities	(1,866)	(1,860)	(5,168)
Cash flows from financing activities:			
Microsemi net investment	(11,671)	(4,363)	(4,047)
Net cash used in financing activities	(11,671)	(4,363)	(4,047)
Net increase (decrease) in cash and cash equivalents	—	—	—
Cash and cash equivalents at beginning of period	—	—	—
Cash and cash equivalents at end of period	$ —	$ —	$ —
Non-cash activity			
Asset transfers to Microsemi	$ 3	$ 1,833	$ 59

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

Note 1 Description of business and summary of significant accounting policies

Description of Business

Microsemi Corporation ("Microsemi") is a leading designer, manufacturer and marketer of high-performance analog and mixed-signal semiconductor solutions differentiated by power, security, reliability and performance. Microsemi initiated discussions to sell Microsemi LLC - RF Integrated Solutions and its Subsidiaries (also referred as "we," "us," or "the Company") which comprised of certain business units which primarily supply the defense, aerospace and security end markets. As part of the separation, Microsemi plans to transfer the assets, liabilities and operations of certain business units; therefore the Company has prepared the following special purpose consolidated financial statements that represent these business units.

The Company derives revenue primarily as an electronics manufacturer and supplier that designs, develops and manufactures innovative electronic components and systems for inclusion in high technology products for the defense, aerospace and security markets. Its electronic solutions include advanced semiconductor and state of the art multi-chip packaged components, circuit card assemblies and electromechanical assemblies, as well as proprietary processes for incorporating anti-tamper protection to mission critical semiconductor components.

Basis of Presentation

The accompanying consolidated financial statements of the Company have been prepared on a standalone basis and are derived from Microsemi's consolidated financial statements and accounting records. The consolidated financial statements reflect the Company's financial position, results of operations and cash flows as the business was operated as part of Microsemi's prior to the separation in conformity with accounting principles generally accepted in the United States ("GAAP"). Dollar amounts in the notes to consolidated financial statements are presented in thousands, except for per share amounts.

We receive management and shared administrative services from Microsemi and we and Microsemi engage in certain related party transactions. We rely on Microsemi for a portion of our operational and administrative support. The consolidated financial statements include the allocation of certain Microsemi corporate expenses, including information technology resources and support; finance, accounting, and auditing services; real estate and facility management services; human resources activities; certain procurement activities; treasury services, and legal advisory services and costs for research and development. These costs have been allocated to us on the basis of direct usage when identifiable, with the other remaining amounts allocated on a pro-rata basis using revenue, headcount or other rational measures.

Microsemi uses a centralized approach to cash management and financing of its operations and substantially all cash generated by the Company is remitted to Microsemi. Cash management and financing transactions relating to the Company are accounted for through the Microsemi invested equity account. Accordingly, none of the Microsemi cash and cash equivalents at the corporate level has been assigned to us in the consolidated financial statements. Microsemi's debt and related interest expense have not been allocated to us for any of the periods presented since we are not the legal obligor of the debt and Microsemi's borrowings were not directly attributable to us.

Management believes the assumptions and allocations underlying the consolidated financial statements are reasonable and appropriate. The expenses and cost allocations have been determined on a basis that Microsemi and we consider to be a reasonable reflection of the utilization of services provided or the benefit received by us during the periods presented.

However, the amounts recorded for these transactions and allocations are not necessarily representative of the amounts that would have been reflected in the financial statements had we been an entity that operated independently from Microsemi. Consequently, our future results of operations after the separation will include costs and expenses for us to operate as an independent company, and these costs and expenses may be materially different from our historical results reflected in the consolidated statements of operations, changes in invested equity and of cash flows. Accordingly, the consolidated financial statements for these periods may not be indicative of our future results of operations, financial position, and cash flows.

See Note 2, “Transactions with Microsemi” for further information regarding the relationships we have with Microsemi and other Microsemi businesses.

Fiscal Year

We report our results on the basis of fifty-two and fifty-three week periods. The fiscal years ended on September 27, 2015, September 28, 2014, and September 29, 2013 consisted of fifty-two weeks. In referencing a year, we are referring to the fiscal year ended on the Sunday generally closest to September 30.

Principles of Consolidation

The consolidated financial statements include certain assets and liabilities that have historically been held at the Microsemi level, but are specifically identifiable or otherwise attributable to us. All material intra-company transactions within the Company have been eliminated. All material transactions between us and other businesses of Microsemi are included in these consolidated financial statements.

Invested Equity

This balance represents the accumulation of our net earnings over time, cash transferred to and from Microsemi, and net intercompany receivable/payable between us and Microsemi.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the respective reporting periods. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash is managed centrally and cash generated by the Company was remitted to Microsemi. Such centralized cash management transactions relating to the Company is reflected through Microsemi net investment in equity. Accordingly, none of the centrally managed cash at Microsemi’s corporate level is reflected in our consolidated financial statements.

Accounts Receivable and Allowance for Doubtful Accounts

Trade accounts receivable are recorded at the invoiced amount and do not bear interest. The accounts receivable amount shown in the balance sheets are trade accounts receivable balances at the respective dates, net of allowance for doubtful accounts. The allowance for doubtful accounts is our best estimate of the amount of probable credit losses in our existing accounts receivable. We determine the allowance based in part on our historical write-off experience and specific review of account balances due. Past due balances are reviewed individually for collectability and management also assesses balances on a pooled basis by the ages of receivables. Account balances are charged off against the allowance when we determine it is probable the receivable will not be recovered. We review our allowance for doubtful accounts annually. We do not have any off-balance-sheet credit exposure related to our customers. To date, our allowance for doubtful accounts has not differed materially from management’s estimates.

Inventories

Inventories are stated at the lower of cost, as determined using the first-in, first-out method, or market. Costs include materials, labor and manufacturing overhead. We evaluate the carrying value of our inventories taking into account such factors as historical and anticipated future sales compared with quantities on hand and the price we expect to obtain for our products in their respective markets. We also evaluate the composition of our inventories to identify any slow-moving, excess or obsolete products. Additionally, inventory write-downs are made based upon such judgments for any inventories identified as having a net realizable value less than their cost, which is further reduced by related selling expenses. The net realizable value of our inventories for ongoing operations has generally been within management’s estimates

Fair Value of Financial Assets and Liabilities

Accounting Standards Codification ("ASC") 825 permits entities to elect the fair value option for certain financial assets and financial liabilities. For financial assets or financial liabilities for which an entity elects the fair value option, ASC 825 requires the entity record the financial asset or financial liability at fair value rather than at historical cost with changes in fair value recorded in the income statement.

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability in an orderly transaction between market participants on the measurement date. ASC 820 establishes a hierarchy for ranking the quality and reliability of the information used to determine fair values and includes the following classifications:

Level 1: Quoted market prices in active markets for identical assets or liabilities.

Level 2: Observable market based inputs or unobservable inputs that are corroborated by market data.

Level 3: Unobservable inputs that are not corroborated by market data.

The carrying amounts of accounts receivable, inventory, accounts payable and accrued liabilities approximate fair value because of the short maturity of these items. Certain assets, including long-lived assets, goodwill and intangible assets are also subject to measurement at fair value on a non-recurring basis if they are deemed to be impaired as a result of an impairment review. For the 2015, 2014 and 2013, no impairments were identified of these assets requiring measurement at fair-value on a non-recurring basis. There were no level 3 financial instruments for 2015, 2014 or 2013.

Property and Equipment

Property and equipment are stated at lower of cost or realizable values. Depreciation is computed on the straight-line method over the estimated useful lives of the assets. Leasehold improvements are amortized over the shorter of the lease terms or the estimated useful lives. Maintenance and repairs are charged to expense as incurred and the costs of additions and betterments that increase the useful lives of the assets are capitalized.

Long-Lived Assets

We assess the impairment of long-lived assets whenever events or changes in circumstances indicate their carrying value may not be recoverable from the undiscounted estimated future cash flows expected to result from their use. We are required to make judgments and assumptions in identifying those events or changes in circumstances that may trigger impairment. Some of the factors we consider include:

- Significant decrease in the market value of an asset.
- Significant changes in the extent or manner for which the asset is being used or in its physical condition including manufacturing plant closures.
- A significant change, delay or departure in our business strategy related to the asset.
- Significant negative changes in the business climate, industry or economic conditions.
- Current period operating losses or negative cash flow combined with a history of similar losses or a forecast indicates continuing losses associated with the use of an asset.

If events or circumstances indicate the carrying amount of a long-lived asset or asset group may not be recoverable and the expected undiscounted future cash flows attributable to the asset group are less than the carrying value, an impairment loss equal to the excess of the carrying value of the assets within the asset group over their fair value is recorded. The appropriate asset group is determined based on the lowest level of largely independent cash inflows and outflows for the related assets. Depending on the nature of the primary assets in the asset group, fair value is estimated using one of several approaches including replacement cost, appraised values, market quotes or estimated expected future cash flows using a discount rate commensurate with the risk involved.

Goodwill and Intangible Assets

We allocated goodwill and intangible assets, less accumulated amortization, based on the amounts recorded as of the acquisition dates of each entity within the Company. We account for goodwill on an impairment-only approach and amortize intangible assets with definite useful lives over the benefit period, which approximates straight-line expense over the respective useful lives. We assess qualitative factors to determine whether it is more likely than not an indefinite-lived intangible asset such as goodwill is impaired as the basis for determining whether a quantitative impairment test is required. We assess definite-lived intangible assets for impairment whenever events or changes in circumstances indicate the carrying value of an asset may not be fully recoverable. Whenever we determine there has been an impairment of goodwill or other intangible assets with indefinite lives, we will record an impairment charge against earnings. We operate as one reporting unit and an impairment charge would equal the excess of the carrying value of goodwill in our one reporting unit over its then fair value. The identification of intangible assets and determination of the fair value and useful lives are subjective in nature and often involve the use of significant estimates and assumptions. The judgments made in determining the estimated useful lives assigned to each class of assets can significantly affect net income. We completed our most recent qualitative analysis during the fourth quarter of fiscal year 2015 and noted no significant factors existed during the fiscal year to indicate it was more likely than not the fair value of the reporting unit is less than its carrying amount.

Revenue Recognition, Sales Returns and Allowances

We primarily recognize revenue from customers, including distributors, when title and risk of loss have passed to the customer provided that: 1) evidence of an arrangement exists; 2) delivery has occurred; 3) the fee is fixed or determinable; and 4) collectability is reasonably assured. For substantially all sales, revenue is recognized, net of estimated returns and discounts, at the time the product is shipped.

We enter into distribution agreements that permit rights to stock rotation, returns, price protection, and volume purchase and other discounts. We provide an estimated allowance for these rights and record a corresponding reduction in revenue. Our estimated allowance is based on several factors including past history and notification from customers of pending activity. Actual activity under such rights have been within management's expectations.

Research and Development

We expense the cost of research and development as incurred. Research and development expenses principally comprise payroll and related costs, supplies, and the cost of prototypes.

Restructuring and Severance Charges

We recognize a liability for restructuring costs when the liability is incurred. The restructuring accruals are based upon management estimates at the time they are recorded and can change depending upon changes in facts and circumstances subsequent to the date the original liability is recorded. The main components of our restructuring charges are workforce reductions and elimination of excess facilities. Workforce-related charges are accrued when it is determined a liability exists, which is generally when individuals have been notified of their expected termination dates and expected severance payments or when formal severance plans exist, when the severance payments are probable and reasonably estimable. The elimination of excess facilities results in charges for lease termination fees, future contractual commitments to pay lease charges net of estimated sublease income, facility remediation costs and moving costs to remove property and equipment from the facilities. We recognize charges for elimination of excess facilities when we have vacated the premises or ceased use of functionally separate portion of the facility.

Stock-Based Compensation

Our employees have historically participated in Microsemi's stock-based compensation plans. Stock-based compensation expense has been allocated to us based on the awards and terms previously granted to our employees. The stock-based compensation was initially measured at the fair value of the awards on the grant date and is recognized in the financial statements over the period the employees are required to provide services in exchange for the awards. The Company applies the authoritative guidance for stock-based compensation. This guidance requires companies to recognize the expense related to the fair value of their stock-based compensation awards.

Compensation expense for restricted shares was calculated based on the service period of the grant and the closing price of Microsemi common stock on the date of grant. Restricted shares are subject to forfeiture if a participant does not meet length of service requirements. Restricted stock awards granted to employees typically vest over a three year period.

Accounting for Income Taxes

In the Company's consolidated financial statements, income tax expense and deferred tax balances have been calculated on a separate return basis although the Company's operations have historically been included in the tax returns filed by the respective Microsemi entities of which the Company's business is a part of.

We recognize tax benefits in our financial statements when our uncertain tax positions are more likely than not to be sustained upon audit. The amount we recognize is measured as the largest amount of benefit that is greater than 50 percent likely of being realized upon ultimate settlement. We recognize deferred tax assets for deductible temporary differences, operating loss carryforwards and tax credit carryforwards. Deferred tax assets are reduced by a valuation allowance if it is more likely than not that some portion, or all, of the deferred tax assets will not be realized.

The Company maintains an income taxes payable to/from account with Microsemi. The Company is deemed to settle current tax balances with the Microsemi tax paying entities in the respective jurisdictions. The Company's current income tax balances are reflected as income taxes payable and settlements, which are deemed to occur in the year following incurrence, and are reflected as changes in the net Microsemi investment in the consolidated balance sheets.

Concentration of Credit Risk

Concentrations of credit risk exist because we rely on a number of customers whose principal sales are to the U.S. Government. A majority of our total net sales in 2015, 2014 and 2013 were in the defense and security market, with a very significant amount of these sales to customers whose principal sales are to the U.S. Government or to subcontractors whose material sales are to the U.S. Government. We, as a subcontractor, sell our products to higher-tier subcontractors or to prime contractors based upon purchase orders that usually do not contain all of the conditions included in the prime contract with the U.S. Government. However, these sales are usually subject to termination and/or price renegotiations by virtue of their reference to a U.S. Government prime contract. Therefore, we believe all of our product sales that ultimately are sold to the U.S. Government may be subject to termination, at the convenience of the U.S. Government or to price renegotiations under the Renegotiation Act. In addition, the shutdown of non-essential U.S. Government services in October 2013 and any future government shutdowns may significantly increase the risk of contract terminations or renegotiations. There can be no assurance we will not experience contract terminations or price renegotiations in the future, and any such termination or renegotiation could have a material adverse impact upon our revenues and results of operations.

Recently Issued Accounting Standards

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") ASU 2014-09 which provides guidance on how 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 and on accounting for costs to obtain or fulfill a contract with a customer. The ASU also requires expanded disclosure regarding the nature, amount, timing and uncertainty of revenue that is recognized. In July 2015, the FASB decided to delay the effective date of this ASU by one year. ASU 2014-09 is effective for fiscal years, and interim periods within those years, beginning after December 15, 2017, and can be adopted either retrospectively to each prior reporting period presented or as a cumulative-effect adjustment as of the date of adoption, with early application permitted as of the original effective date. We are currently assessing the adoption and impact of this ASU on our consolidated financial position and results of operations.

In June 2014, the FASB issued ASU 2014-12 which provides guidance on how to account for shared-based payment awards where the terms of the award provide that a performance target that affects vesting could be achieved after the requisite service period. The ASU requires that a performance target that affects vesting and that could be achieved after the requisite service period be treated as a performance condition. ASU 2014-12 is effective for annual periods, and interim periods within those annual periods, beginning after December 15, 2015, and early adoption is permitted. We are currently assessing the impact of this ASU on our consolidated financial position and results of operations.

In August 2014, the FASB issued ASU 2014-15 which provides guidance on management's responsibility to evaluate whether there is substantial doubt about an entity's ability to continue as a going concern within one year after the date

that the financial statements are issued (or within one year after the date that the financial statements are available to be issued when applicable) and to provide related footnote disclosures. ASU 2014-15 is effective for the annual period ending after December 15, 2016, and for annual periods and interim periods thereafter. Early application is permitted. We do not anticipate that adoption of this ASU will impact our consolidated financial position and results of operations.

In July 2015, the FASB issued ASU 2015-11 whose objective is to simplify the subsequent measurement of inventory by using only the lower of cost or net realizable value. Net realizable value is the estimated selling prices in the ordinary course of business, less reasonably predictable costs of completion, disposal, and transportation. ASU 2015-11 is effective for annual periods, and interim periods within those annual periods, beginning after December 15, 2016. We do not anticipate that adoption of this ASU will impact our consolidated financial position and results of operations.

In September 2015, the FASB issued ASU 2015-16 whose objective is to simplify the accounting for measurement-period adjustments from a business combination. GAAP currently requires that during the measurement period, the acquirer retrospectively adjust provisional amounts recognized at the acquisition date with a corresponding adjustment to goodwill. The acquirer must revise comparative information for prior periods presented in financial statements as needed. ASU 2015-16 eliminates the requirement to retrospectively account for those adjustments. ASU 2015-16 is effective for annual periods beginning after December 15, 2016. We elected to early adopt this ASU retrospectively and adoption did not impact our consolidated financial position, results of operations or cash flows.

In November 2015, the FASB issued ASU 2015-17 whose objective is to simplify the presentation of deferred income tax assets and liabilities. ASU 2015-17 requires all deferred tax assets and liabilities, and any related valuation allowance, to be classified as noncurrent on the balance sheet. ASU 2015-17 is effective for financial statements issued for annual periods beginning after December 15, 2016, and interim periods within those annual periods. We do not anticipate that adoption of this ASU will impact our consolidated financial position and results of operations.

Note 2 Transactions with Microsemi

Related-party Transactions

The amount of materials and services either purchased by us from other Microsemi businesses or sold by us to other Microsemi businesses was immaterial for 2015, 2014 and 2013.

Allocated Costs

The consolidated statements of operations and comprehensive income includes our direct expenses for cost of goods and services sold related to our net sales, research and development, sales and marketing, customer service, and administration as well as allocations of expenses arising from shared services and infrastructure provided by Microsemi to us, such as costs of information technology, accounting and legal services, real estate and facilities, corporate advertising, insurance services and related treasury, and other corporate and infrastructure services. Also, many of the sales force costs were moved from the business units to corporate beginning in 2015, and are included in the allocated costs below. These expenses are allocated to us using estimates that we consider to be a reasonable reflection of the utilization of services provided to or benefits received from us.

The allocated costs, by nature of expense, are included in the table below:

	2015	2014	2013
Selling, general and administrative	$ 6,834	$ 4,062	$ 2,956
Research and development	608	192	232
Stock-based compensation	1,578	2,135	2,252
Total	$ 9,020	$ 6,389	$ 5,440

Note 3 Inventories

Inventories are summarized as follows:

	September 27, 2015	September 28, 2014
Raw materials	$ 15,082	$ 14,425
Work in process	7,504	9,044
Finished goods	2,977	2,951
	$ 25,563	$ 26,420

Note 4 Property and Equipment

Property and equipment consisted of the following components:

	Asset Life	September 27, 2015	September 28, 2014
Buildings	20-40 years	$ 4,556	$ 4,470
Machinery and equipment	3-10 years	18,564	17,220
Furniture and fixtures	5-10 years	2,356	2,055
Leasehold improvements	Shorter of asset life or life of lease	3,518	3,518
		$ 28,994	$ 27,263
Accumulated depreciation		(19,874)	(16,460)
Land		400	400
Construction in progress		1,385	1,264
		$ 10,905	$ 12,467

Depreciation expense was $3,425, $3,445 and $3,927 in 2015, 2014 and 2013, respectively.

Note 5 Goodwill and Intangible Assets, Net

Goodwill and intangible assets, net consisted of the following components:

	September 27, 2015		September 28, 2014		
	Gross Carrying Value	Accumulated Amortization	Gross Carrying Value	Accumulated Amortization	Life (in years)
Amortizable intangible assets					
Completed technology	$ 32,129	$ (26,789)	$ 32,129	$ (22,835)	4 to 8
Customer relationships	33,920	(26,618)	33,920	(22,678)	4 to 8
Backlog, trade name and other	9,424	(9,260)	9,424	(9,143)	1 to 5
	$ 75,473	$ (62,667)	$ 75,473	$ (54,656)	
Non-amortizable intangible assets					
Goodwill	$ 75,613		$ 75,613		

Estimated amortization expense in each of the five succeeding years and thereafter is as follows:

2016	2017	2018	2019	2020	Thereafter
$ 5,298	$ 4,738	$ 2,770	$ —	$ —	$ —

Note 6 Accrued Liabilities

Accrued liabilities consisted of the following components:

	September 27, 2015	September 28, 2014
Payroll, bonus, and employee benefits	$ 1,831	$ 1,633
Commissions	293	1,094
Deferred revenue	184	559
Warranties	114	308
Other	13	225
	$ 2,435	$ 3,819

Note 7 Income Taxes

The income tax provision (benefit) consisted of the following components for each of the three fiscal years in the period ended September 27, 2015:

	For each of the three fiscal years in the period ended September 27, 2015		
	2015	2014	2013
Current:			
Federal	$ 5,906	$ 645	$ 120
State	34	33	11
Deferred			
Federal	(1,845)	(3,412)	(2,342)
State	—	—	—
	$ 4,095	$ (2,734)	$ (2,211)

Deferred tax assets and liabilities result from differences between the financial statement carrying amounts and the tax basis of existing assets and liabilities. The significant components of the deferred income tax assets and liabilities at September 27, 2015 and September 28, 2014 were as follows:

	September 27, 2015	September 28, 2014
Deferred tax assets		
Accrued expenses and reserves	$ 4,027	$ 3,688
Stock based compensation	299	251
Research and development credit	1,345	1,444
Net operating losses	—	166
Valuation allowance	(2,886)	(2,110)
Total deferred tax assets,net	2,785	3,439
Deferred tax (liabilities)		
Depreciation and amortization	(2,019)	(4,612)
Deferred revenue	(766)	(673)
Total deferred tax (liabilities)	(2,785)	(5,285)
Net deferred tax (liability)	—	(1,846)

The Company has unutilized state research and development credit of $2,439, $2,475 and $2,151 as of September 27, 2015, September 28, 2014 and September 27, 2013, respectively.

The Company may have additional net operating loss carryforwards and research and development credits that would be generated or carryforward based on the Company's consolidated filing obligations with Microsemi Corporation. These have not been included in the carve out financial statements as they are not expected to be available on a separate return method and would require a full valuation allowance.

Additionally, we had cumulative operating losses for the three years ended in 2015 and, accordingly, have provided a full valuation allowance on net deferred tax assets as we have determined it is more likely than not the tax benefits will not be realized in the future.

The Company's policy is to recognize interest and penalties accrued on unrecognized tax benefits as a component of income tax expense. The Company is subject to U.S. federal, state and local, income tax and in the normal course of business, its income tax returns are subject to examination by the relevant taxing authorities. As of September 27, 2015, the tax returns for fiscal year 2013 through fiscal year 2015 remain open, subject to examination in the U.S. federal and various state jurisdictions. The Company does not expect its unrecognized tax benefits to change significantly over the next 12 months.

Note 8 Stock-Based Compensation

The Company's stock-based compensation has been derived from the equity awards granted by Microsemi to the Company's employees. As the stock-based compensation plans are Microsemi's plans, the amounts have been recognized through the net Microsemi investment on the consolidated balance sheets.

In February 2014, Microsemi's stockholders approved an amendment to the Microsemi Corporation 2008 Performance Incentive Plan (the "2008 Plan"). The amendment a) increased the share limit by an additional 4.8 million shares so that the amended aggregate share limit for the 2008 Plan is 33.3 million shares; b) extended Microsemi's authority to grant awards under the 2008 Plan intended to qualify as "performance-based awards" within the meaning of Section 162(m) of the U.S. Internal Revenue Code through the first annual meeting of stockholders that occurs in 2019. The 2008 Plan's termination date of December 5, 2021 remained unchanged, as did the number of shares counted against the share limit for every one share issued in connection with a full-value award, which remained 2.41.

Except as described in this paragraph, shares that are subject to or underlie awards which expire or for any reason, are canceled or terminated, are forfeited, fail to vest, or for any other reason are not paid or delivered under the 2008 Plan will again be available for subsequent awards under the 2008 Plan. Shares that are exchanged by a participant or withheld by Microsemi as full or partial payment in connection with any award granted under the 2008 Plan that is a full-value award, as well as any shares exchanged by a participant or withheld by Microsemi or one of its subsidiaries to satisfy the tax withholding obligations related to any full-value award granted under the 2008 Plan will be available for subsequent awards under the 2008 Plan. Shares that are exchanged by a participant or withheld by Microsemi to pay the exercise price of a stock option or stock appreciation right granted under the 2008 Plan, as well as any shares exchanged or withheld to satisfy the tax withholding obligations related to any such award, will not be available for subsequent awards under the 2008 Plan. Tax withholding obligations are established at the statutory minimum requirements for any shares exchanged or withheld.

Awards authorized by the 2008 Plan include options, stock appreciation rights, restricted stock, stock bonuses, stock units, performance share awards, and other cash- or share-based awards. The shares issued under the 2008 Plan may be newly issued or shares held by Microsemi as treasury stock. The maximum term of a stock option grant or a stock appreciation right granted under the 2008 Plan is 6 years.

Compensation expense for restricted stock awards was calculated based on the closing price of Microsemi stock on the date of grant and the shares are subject to forfeiture if a participant does not meet length of service requirements. Restricted stock awards granted to employees typically vest over a three year period.

Stock-based compensation expense for the Company was $1,578 in 2015, $2,135 in 2014 and $2,252 in 2013. The weighted-average grant date fair value per shares was $29.58 in 2015, $24.76 in 2014 and $20.25 in 2013. At September 27, 2015, unamortized compensation expense related to unvested stock awards was $1,873. The weighted average period over which compensation expense related to these grants will be recognized is 1.3 years.

Activity related to restricted stock awards are as follows:

	Quantity
Outstanding at September 28, 2014	172,633
Granted	67,002
Vested	(92,520)
Forfeited	(21,761)
Outstanding at September 27, 2015	125,354

Note 9 Employee Benefit Plans

Microsemi sponsors a 401(k) savings plans whereby participating employees may elect to contribute up to 50% of their eligible wages up to the statutory contribution limit. Employees 50 years of age and older may contribute a further 75% of their eligible wages up to the statutory contribution limit. During 2015, 2014 and 2013, employer contributions were $440, $502, and $563, respectively.

Note 10 Commitments and Contingencies

Operating Leases

We occupy premises and lease equipment under operating lease agreements expiring through 2020. The aggregate undiscounted future minimum rental payments under these leases are as follows:

2016	2017	2018	2019	2020	Thereafter
$ 1,179	$ 1,244	$ 1,259	$ 1,250	$ 1,000	$ —

Lease expense reflected in the statements of operations and comprehensive income was $1,683 in 2015, $1,709 in 2014 and $1,841 in 2013.

Contingencies

We are involved in pending litigation, administrative and similar matters arising out of the normal conduct of our business, including litigation relating to acquisitions, employment matters, commercial transactions, contracts, environmental matters and matters related to compliance with governmental regulations. The ultimate aggregate amount of monetary liability or financial impact with respect to these matters is subject to many uncertainties and is therefore not predictable with assurance. In the opinion of the Company's management, the final outcome of these matters, if they are adverse, will not have a material adverse effect on our financial position, results of operations or cash flows. However, there can be no assurance with respect to such result, and monetary liability, financial impact or other sanctions imposed on us from these matters could differ materially from those projected.

Exhibit 99.3

MICROSEMI LLC - RF INTEGRATED SOLUTIONS AND SUBSIDIARIES
CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AND FOOTNOTES

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Microsemi LLC - RF Integrated Solutions and its Subsidiaries
Condensed Consolidated Balance Sheets
(unaudited, amounts in thousands)

	January 3, 2016	September 27, 2015
Assets		
Current assets:		
Accounts receivable, net of allowances of $465 at January 3, 2016 and $449 at September 27, 2015	$ 22,873	$ 25,417
Inventories	22,780	25,563
Prepaid expenses	612	871
Deferred income taxes, net	2,785	2,785
Total current assets	49,050	54,636
Property and equipment, net	10,850	10,905
Goodwill	75,613	75,613
Intangible assets, net	11,412	12,806
Other assets	1,831	85
Total assets	$148,756	$ 154,045
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	$ 5,932	$ 7,775
Accrued liabilities	1,580	2,435
Total current liabilities	7,512	10,210
Deferred income taxes	2,785	2,785
Deferred rent	901	935
Other long term liabilities	—	138
Commitments and contingencies (Note 6)		
Invested equity:		
Microsemi net investment	137,558	139,977
Total stockholders' equity	137,558	139,977
Total liabilities and stockholders' equity	$148,756	$ 154,045

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

Microsemi LLC - RF Integrated Solutions and its Subsidiaries
Condensed Consolidated Statements of Operations and Comprehensive Income
(unaudited, amounts in thousands)

	Three Months Ended	
	January 3, 2016	December 28, 2014
Net sales	$ 24,976	$ 25,240
Costs and expenses:		
Cost of sales	12,375	13,022
Selling, general and administrative	2,439	2,316
Research and development	2,655	2,443
Amortization of intangible assets	1,394	2,404
Allocated costs (See Note 2)	2,744	2,255
Restructuring and severance charges	—	259
Total costs and operating expenses	21,607	22,699
Operating income	3,369	2,541
Other income	—	6
Income before income taxes	3,369	2,547
Income tax provision	1,044	995
Net income	$ 2,325	$ 1,552
Other comprehensive income	$ —	$ —
Total comprehensive income	$ 2,325	$ 1,552

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

Microsemi LLC - RF Integrated Solutions and its Subsidiaries
Condensed Consolidated Statements of Cash Flows
(unaudited, amounts in thousands)

	Three Months Ended	
	January 3, 2016	December 28, 2014
Cash flows from operating activities:		
Net income	$ 2,325	$ 1,552
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation and amortization	2,104	3,281
Change in allowance for doubtful accounts	15	12
Charge for stock-based compensation	363	362
Change in assets and liabilities:		
Accounts receivable	2,530	(2,369)
Inventories	2,783	253
Prepaid expenses	259	85
Other assets	(1,746)	231
Accounts payable	(1,844)	791
Accrued liabilities	(855)	(1,052)
Deferred rent	(34)	(1,048)
Other long term liabilities	(138)	883
Net cash provided by operating activities	5,762	2,981
Cash flows from investing activities:		
Purchases of property and equipment	(655)	(392)
Net cash used in investing activities	(655)	(392)
Cash flows from financing activities:		
Microsemi net investment	(5,107)	(2,589)
Net cash used in financing activities	(5,107)	(2,589)
Net increase (decrease) in cash and cash equivalents	—	—
Cash and cash equivalents at beginning of period	—	—
Cash and cash equivalents at end of period	$ —	$ —

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

Note 1 Description of business and summary of significant accounting policies

Description of Business

Microsemi Corporation ("Microsemi") is a leading designer, manufacturer and marketer of high-performance analog and mixed-signal semiconductor solutions differentiated by power, security, reliability and performance. Microsemi initiated discussions to sell Microsemi LLC - RF Integrated Solutions and its Subsidiaries (also referred as "we," "us," or "the Company") which comprised of certain business units which primarily supply the defense, aerospace and security end markets. As part of the separation, Microsemi plans to transfer the assets, liabilities and operations of certain business units; therefore the Company has prepared the following special purpose condensed consolidated financial statements that represent these business units.

The Company derives revenue primarily as an electronics manufacturer and supplier that designs, develops and manufactures innovative electronic components and systems for inclusion in high technology products for the defense, aerospace and security markets. Its electronic solutions include advanced semiconductor and state of the art multi-chip packaged components, circuit card assemblies and electromechanical assemblies, as well as proprietary processes for incorporating anti-tamper protection to mission critical semiconductor components.

Basis of Presentation

The accompanying condensed consolidated financial statements of the Company have been prepared on a standalone basis and are derived from Microsemi's consolidated financial statements and accounting records. The condensed consolidated financial statements reflect the Company's financial position, results of operations and cash flows as the business was operated as part of Microsemi's prior to the separation in conformity with accounting principles generally accepted in the United States ("GAAP"). Dollar amounts in the notes to condensed consolidated financial statements are presented in thousands, except for per share amounts.

We receive management and shared administrative services from Microsemi and we and Microsemi engage in certain related party transactions. We rely on Microsemi for a portion of our operational and administrative support. The condensed consolidated financial statements include the allocation of certain Microsemi corporate expenses, including information technology resources and support; finance, accounting, and auditing services; real estate and facility management services; human resources activities; certain procurement activities; treasury services, and legal advisory services and costs for research and development. These costs have been allocated to us on the basis of direct usage when identifiable, with the other remaining amounts allocated on a pro-rata basis using revenue, headcount or other rational measures.

Microsemi uses a centralized approach to cash management and financing of its operations and substantially all cash generated by the Company is remitted to Microsemi. Cash management and financing transactions relating to the Company are accounted for through the Microsemi invested equity account. Accordingly, none of the Microsemi cash and cash equivalents at the corporate level has been assigned to us in the condensed consolidated financial statements. Microsemi's debt and related interest expense have not been allocated to us for any of the periods presented since we are not the legal obligor of the debt and Microsemi's borrowings were not directly attributable to us.

Management believes the assumptions and allocations underlying the condensed consolidated financial statements are reasonable and appropriate. The expenses and cost allocations have been determined on a basis that Microsemi and we consider to be a reasonable reflection of the utilization of services provided or the benefit received by us during the periods presented.

However, the amounts recorded for these transactions and allocations are not necessarily representative of the amounts that would have been reflected in the financial statements had we been an entity that operated independently from Microsemi. Consequently, our future results of operations after the separation will include costs and expenses for us to operate as an independent company, and these costs and expenses may be materially different from our historical results reflected in the condensed consolidated statements of operations, changes in invested equity and of cash flows. Accordingly, the condensed consolidated financial statements for these periods may not be indicative of our future results of operations, financial position, and cash flows.

See Note 2, “Transactions with Microsemi” for further information regarding the relationships we have with Microsemi and other Microsemi businesses.

Principles of Consolidation

The condensed consolidated financial statements include certain assets and liabilities that have historically been held at the Microsemi level, but are specifically identifiable or otherwise attributable to us. All material intra-company transactions within the Company have been eliminated. All material transactions between us and other businesses of Microsemi are included in these condensed consolidated financial statements.

Invested Equity

This balance represents the accumulation of our net earnings over time, cash transferred to and from Microsemi, and net intercompany receivable/payable between us and Microsemi.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the respective reporting periods. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash is managed centrally and cash generated by the Company was remitted to Microsemi. Such centralized cash management transactions relating to the Company is reflected through Microsemi net investment in equity. Accordingly, none of the centrally managed cash at Microsemi’s corporate level is reflected in our condensed consolidated financial statements.

Accounting for Income Taxes

In the Company’s condensed consolidated financial statements, income tax expense and deferred tax balances have been calculated on a separate return basis although the Company’s operations have historically been included in the tax returns filed by the respective Microsemi entities of which the Company’s business is a part of.

We recognize tax benefits in our financial statements when our uncertain tax positions are more likely than not to be sustained upon audit. The amount we recognize is measured as the largest amount of benefit that is greater than 50 percent likely of being realized upon ultimate settlement. We recognize deferred tax assets for deductible temporary differences, operating loss carryforwards and tax credit carryforwards. Deferred tax assets are reduced by a valuation allowance if it is more likely than not that some portion, or all, of the deferred tax assets will not be realized.

The Company maintains an income taxes payable to/from account with Microsemi. The Company is deemed to settle current tax balances with the Microsemi tax paying entities in the respective jurisdictions. The Company’s current income tax balances are reflected as income taxes payable and settlements, which are deemed to occur in the year following incurrence, and are reflected as changes in the net Microsemi investment in the condensed consolidated balance sheets.

Note 2 Transactions with Microsemi

Related-party Transactions

The amount of materials and services either purchased by us from other Microsemi businesses or sold by us to other Microsemi businesses was immaterial for the three months ended January 3, 2016 and December 28, 2014.

Allocated Costs

The condensed consolidated statements of operations and comprehensive income includes our direct expenses for cost of goods and services sold related to our net sales, research and development, sales and marketing, customer service, and administration as well as allocations of expenses arising from shared services and infrastructure provided by Microsemi to us, such as costs of information technology, accounting and legal services, real estate and facilities, corporate advertising, insurance services and related treasury, and other corporate and infrastructure services. These expenses are allocated to us using estimates that we consider to be a reasonable reflection of the utilization of services provided to or benefits received from us.

The allocated costs, by nature of expense, are included in the table below for the three month period ended:

	January 3, 2016	December 28, 2014
Selling, general and administrative	$ 2,229	$ 1,741
Research and development	152	152
Stock-based compensation	363	362
Total	$ 2,744	$ 2,255

Note 3 Inventories

Inventories are summarized as follows:

	January 3, 2016	September 27, 2015
Raw materials	$ 12,457	$ 15,082
Work in process	6,929	7,504
Finished goods	3,394	2,977
	$ 22,780	$ 25,563

Note 4 Accrued Liabilities

Accrued liabilities consisted of the following components:

	January 3, 2016	September 27, 2015
Payroll, bonus, and employee benefits	$ 944	$ 1,831
Commissions	311	293
Deferred revenue	166	184
Warranties	114	114
Other	45	13
	$ 1,580	$ 2,435

Note 5 Income Taxes

For the quarters ended January 3, 2016 and December 28, 2014 we recorded income tax provisions of $1,044 and $995, respectively. The difference in our effective tax rate from the U.S. statutory rate of 34% primarily reflects the benefit of tax credits, offset by valuation allowance. Additionally, the difference in our effective tax rate between the quarters ended January 3, 2016 and December 28, 2014 is a function of the amount of tax credits and valuation allowance relative to the amount of pre-tax earnings in each respective year. Our tax provisions for the quarters ended January 3, 2016 and December 28, 2014 were the combined calculated tax expenses, benefits and credits for various jurisdictions.

We file U.S. and state income tax returns in jurisdictions with varying statutes of limitations. The 2013 through 2015 tax years generally remain subject to examination by federal tax authorities and most state tax authorities. Each quarter, we reassess our uncertain tax positions for additional unrecognized tax benefits, interest and penalties, and deletions due to statute expirations. The Company does not expect its unrecognized tax benefits to change significantly over the next 12 months.

Note 6 Commitments and Contingencies

Contingencies

We are involved in pending litigation, administrative and similar matters arising out of the normal conduct of our business, including litigation relating to acquisitions, employment matters, commercial transactions, contracts, environmental matters and matters related to compliance with governmental regulations. The ultimate aggregate amount of monetary liability or financial impact with respect to these matters is subject to many uncertainties and is therefore not predictable with assurance. In the opinion of the Company’s management, the final outcome of these matters, if they are adverse, will not have a material adverse effect on our financial position, results of operations or cash flows. However, there can be no assurance with respect to such result, and monetary liability, financial impact or other sanctions imposed on us from these matters could differ materially from those projected.

Note 7 Subsequent Events

We have evaluated subsequent events from the date of the condensed consolidated balance sheet through the date the condensed consolidated financial statements were issued.

Exhibit 99.4

UNAUDITED PRO FORMA CONDENSED CONSOLIDATED FINANCIAL INFORMATION

On March 23, 2016, we entered into a definitive Purchase Agreement with Microsemi Corporation ("Microsemi" or the "Seller"), pursuant to which Mercury Systems, Inc. ("Mercury" or "we" or "our") will purchase all of the outstanding equity interests of Microsemi LLC—RF Integrated Solutions and its subsidiaries through which the custom microelectronics, RF and microwave solutions, and embedded security operations of the Power and Microelectronics Group within Microsemi (the "Carve-Out Business") is operated, resulting in the entities comprising the Carve-Out Business becoming our 100% owned direct or indirect subsidiaries (the "Acquisition"). For purposes of this unaudited pro forma condensed consolidated financial information, the Acquisition was accounted for using the acquisition method of accounting in accordance with Accounting Standards Codification ("ASC") 805, "Business Combinations," which we refer to as ASC 805. We estimate that the funds necessary to consummate the Acquisition will be approximately $300.0 million in cash on a cash-free, debt-free basis, subject to working capital and other post-closing adjustments and the total amount including payment of related fees and expenses will be approximately $317.2 million. Consummation of the Acquisition is subject to customary closing conditions. We intend to finance the Acquisition of the Carve-Out Business through the offering of shares of common stock, with the balance funded under our anticipated new term loan A facility with a total committed facility of up to $265.0 million (the "Financing") and cash on hand. Accordingly, the purchase price and the related transaction expenses and fees are collectively expected to be $317.2 million and are expected to be funded by $94.3 million in gross proceeds from the sale of common stock, $200.0 million in gross proceeds from the term loan A facility, and $22.9 million of cash on hand. There can be no assurance that the offering of shares of common stock, the consummation of the Financing and the consummation of the Acquisition (the "Transactions") will be consummated under the terms contemplated or at all.

This unaudited pro forma condensed consolidated financial information has been prepared in accordance with Article 11 of Regulation S-X and is not intended to indicate the results that would actually have been achieved had the Transactions been completed on the assumed date for the periods presented.

The unaudited pro forma condensed consolidated statement of operations for the fiscal year ended June 30, 2015 gives effect to the Transactions as if they had occurred on July 1, 2014, combines the historical results of Mercury for its fiscal year ended June 30, 2015, the historical results of the Carve-Out Business for its fiscal year ended September 27, 2015, and reflects pro forma adjustments that are expected to have a continuing impact on the combined results.

The historical results of Mercury were derived from its audited consolidated statement of operations included in its Annual Report on Form 10-K for the fiscal year ended June 30, 2015 and incorporated by reference herein. The historical results of the Carve-Out Business were derived from its audited consolidated statements of operations and comprehensive income for its fiscal year ended September 27, 2015, included in the Current Report on Form 8-K filed on April 4, 2016 and incorporated by reference herein.

The unaudited pro forma condensed consolidated statement of operations for the six-month period ended December 31, 2015 gives effect to the Transactions as if they had occurred on July 1, 2014, combines the historical results of Mercury for the six months ended December 31, 2015 and the Carve-Out Business for its six months ended January 3, 2016, and reflects pro forma adjustments that are expected to have a continuing impact on the combined results.

The historical results of Mercury were derived from its unaudited consolidated statement of operations included in its Quarterly Report on Form 10-Q for the quarterly period ended December 31, 2015 and incorporated by reference herein. The historical results of the Carve-Out Business were derived from its unaudited consolidated statements of operations and comprehensive income for the relevant periods within its fiscal year 2016, as well as the audited financial statements filed as an exhibit to Mercury's Current Report on Form 8-K filed on April 4, 2016 and incorporated by reference herein.

The unaudited pro forma condensed consolidated balance sheet data at December 31, 2015 gives effect to the Transactions as if they occurred on such date and combines the historical balance sheets of Mercury as of

December 31, 2015 and the Carve-Out Business as of January 3, 2016. The Mercury balance sheet information was derived from its unaudited consolidated balance sheet included in its Quarterly Report on Form 10-Q for the quarterly period ended December 31, 2015 and incorporated by reference herein. The Carve-Out Business balance sheet information was derived from its unaudited condensed consolidated balance sheet as of January 3, 2016 filed as an exhibit to Mercury's Form 8-K filed on April 4, 2016 and incorporated by reference herein.

The Carve-Out Business was not operating as a separate legal entity within Seller. Accordingly, its financial statements have been prepared on a carve-out basis. The carve-out financial statements have been derived from the consolidated financial statements and accounting records of Seller, using the historical results of operations and historical bases of assets and liabilities which comprise Carve-Out Business. The carve-out financial statements also include allocations of certain Seller-shared expenses. Seller's management believes the assumptions and methodologies underlying the allocation of shared expenses from Seller are reasonable in depicting Carve-Out Business on a carve-out basis; however, such expenses may not be indicative of the actual level of expense that would have been incurred by the Carve-Out Business if it had operated as a stand-alone entity or of the costs expected to be incurred in the future. As such, the carve-out financial statements included in this prospectus supplement may not necessarily reflect the Carve-Out Business' results of operations, financial position or cash flows in the future or what its results of operations, financial position or cash flows would have been had the Carve-Out Business been a stand-alone entity during the periods presented.

The unaudited pro forma condensed consolidated financial statements have been prepared by Mercury's management and are not necessarily indicative of the consolidated financial position or results of operations in future periods or the results that actually would have been realized had Mercury and the Carve-Out Business been a combined company during the periods presented. The pro forma adjustments are based on the preliminary assumptions and information available at the time of the preparation of this prospectus supplement, and such assumptions are subject to change.

The unaudited pro forma condensed consolidated statements of operations exclude certain non-recurring charges that have been or will be incurred in connection with the Transactions, including certain expenses related to the Transactions, including financing and professional fees of both Mercury and the Carve-Out Business. These expenses are expected to total approximately $17.2 million.

The unaudited pro forma data should be read in conjunction with the information contained in the historical consolidated financial statements of Mercury included in its Annual Report on Form 10-K for the fiscal year ended June 30, 2015 and incorporated by reference herein, the historical unaudited consolidated financial statements of Mercury included in its Quarterly Report on Form 10-Q for the quarterly period ended December 31, 2015 and incorporated by reference herein, the historical audited consolidated financial statements of the Carve-Out Business for the fiscal years ended September 27, 2015, September 28, 2014 and September 29, 2013 and filed as an exhibit to Mercury's Current Report on Form 8-K filed on April 4, 2016, and the historical unaudited condensed consolidated financial statements of the Carve-Out Business for the three months ended January 3, 2016 and December 28, 2014, filed as an exhibit to Mercury's Current Report on Form 8-K filed on April 4, 2016.

The unaudited pro forma condensed consolidated financial information is presented for informational purposes only. It is not necessarily indicative of what our financial position or results of operations actually would have been had we completed the Transactions at the date indicated, nor does it purport to project the future financial position or operating results of the combined company. The unaudited pro forma condensed consolidated statement of operations does not reflect any revenue or cost savings from synergies that may be achieved with respect to the combined companies, or the impact of non-recurring items directly related to the Acquisition and related financing.

MERCURY SYSTEMS, INC.

PRO FORMA CONDENSED CONSOLIDATED BALANCE SHEET

DECEMBER 31, 2015

(In thousands)

(UNAUDITED)

	Mercury Systems, Inc.	Carve-Out Business as of January 3, 2016	Pro Forma Adjustments	Adjustment	Pro Forma Combined
Assets					
Current assets:					
Cash and cash equivalents	$ 81,554	$ —	$ (22,872)	A,B,C,D	$ 58,682
Accounts receivable, net	35,468	22,873	—		58,341
Unbilled receivables and costs in excess of billings	24,645	—	—		24,645
Inventory	36,707	22,780	2,500	A	61,987
Other current assets	20,604	3,397	1,222	A,H	25,223
Total current assets	198,978	49,050	(19,150)		228,878
Property and equipment, net	13,324	10,850	—		24,174
Goodwill	173,749	75,613	93,293	A	342,655
Intangible assets, net	18,608	11,412	92,488	A	122,508
Other non-current assets	3,433	1,831	6,425	C	11,689
Total assets	$ 408,092	$148,756	$ 173,056		$729,904
Liabilities and Shareholders' Equity					
Current liabilities:					
Accounts payable	$ 11,858	$ 5,932	$ —		$ 17,790
Current portion of long-term debt	—	—	—		—
Other current liabilities	29,534	1,580	—		31,114
Total current liabilities	41,392	7,512	—		48,904
Long-term debt, less current portion	—	—	198,300	C	198,300
Other non-current liabilities	5,242	3,686	26,451	A	35,379
Total liabilities	46,634	11,198	224,751		282,583
Shareholders' equity:					
Preferred stock	—	—	—		—
Common stock	332	—	45	D	377
Additional paid-in capital	259,140	137,558	(50,825)	D	345,873
Retained earnings	101,221	—	(915)	B,H	100,306
Accumulated other comprehensive income	765	—	—		765
Total shareholders' equity	361,458	137,558	(51,695)		447,321
Total liabilities and shareholders' equity	$ 408,092	$148,756	$ 173,056		$729,904

MERCURY SYSTEMS, INC.

PRO FORMA CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE SIX MONTHS ENDED DECEMBER 31, 2015
(In thousands except per share amounts)
(UNAUDITED)

	Mercury Systems, Inc.	Carve-Out Business	Pro Forma Adjustments	Adjustment	Pro Forma Combined
Net revenues	$ 118,826	$ 49,670	$ —		$168,496
Cost of revenues	62,719	26,085	51	I	88,855
Gross margin	56,107	23,585	(51)		79,641
Operating expenses:					
Selling, general and administrative	24,709	4,445	4,721	I	33,875
Research and development	15,777	5,339	767	I	21,883
Amortization of intangible assets	3,351	2,791	2,939	E	9,081
Allocated costs	—	5,539	(5,539)	I	—
Other operating expenses	2,770	—	—		2,770
Total operating expenses	46,607	18,114	2,888		67,609
Income from operations	9,500	5,471	(2,939)		12,032
Other income, net	197	—	(4,425)	C,F	(4,228)
Income from continuing operations before income taxes	9,697	5,471	(7,364)		7,804
Tax provision	2,944	1,865	(2,622)	H	2,187
Income from continuing operations	$ 6,753	$ 3,606	$ (4,742)		$ 5,617
Per share income from continuing operations:					
Basic	$ 0.20				$ 0.15
Diluted	$ 0.20				$ 0.15
Weighted-average shares outstanding:					
Basic	33,047		4,500	D,G	37,547
Diluted	33,819		4,500	D,G	38,319

MERCURY SYSTEMS, INC.

PRO FORMA CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE YEAR ENDED JUNE 30, 2015
(In thousands except per share amounts)
(UNAUDITED)

	Mercury Systems, Inc.	Carve-Out Business	Pro Forma Adjustments	Adjustment	Pro Forma Combined
Net revenues	$ 234,847	$ 99,445	$ —		$334,292
Cost of revenues	124,628	52,183	95	I	176,906
Gross margin	110,219	47,262	(95)		157,386
Operating expenses:					
Selling, general and administrative	49,010	9,238	7,528	I	65,776
Research and development	32,554	10,204	1,397	I	44,155
Amortization of intangible assets	7,008	8,011	3,447	E	18,466
Allocated costs	—	9,020	(9,020)	I	—
Other operating expenses	3,292	355	—		3,647
Total operating expenses	91,864	36,828	3,352		132,044
Income from operations	18,355	10,434	(3,447)		25,342
Other income, net	440	52	(8,788)	C,F	(8,296)
Income from continuing operations before income taxes	18,795	10,486	(12,235)		17,046
Tax provision	4,366	4,095	(4,795)	H	3,666
Income from continuing operations	$ 14,429	$ 6,391	$ (7,440)		$ 13,380
Per share income from continuing operations:					
Basic	$ 0.45				$ 0.37
Diluted	$ 0.44				$ 0.36
Weighted-average shares outstanding:					
Basic	32,114		4,500	D,G	36,614
Diluted	32,939		4,500	D,G	37,439

Adjustment A—Preliminary Purchase Price Adjustment

The purchase price for the Acquisition is approximately $300.0 million, payable at closing and is subject to working capital and other adjustments. The purchase price of $300.0 million has been allocated to the assets acquired and the liabilities assumed on a preliminary basis as follows:

(in thousands)	
Accounts receivable	$ 22,873
Inventory	25,280
Property, plant and equipment	10,850
Other current and non-current assets	5,840
Intangible assets	103,900
Goodwill	168,906
Total assets acquired	337,649
Accounts payable and accrued expenses	(7,512)
Other non-current liabilities	(3,686)
Deferred tax liability	(26,451)
Total purchase price	$300,000

We have allocated approximately $103.9 million to intangible assets (see Adjustment E), and assigned estimated economic lives with averages ranging from 3 years to 11.2 years. The determination of the preliminary fair value was primarily based upon historical intangible asset valuations in comparison to the purchase price for prior acquisitions. This value will be adjusted upon completion of the valuation analysis. The determination of useful life was also based upon historical experience. The estimated amortization expense for these acquired intangible assets included in the unaudited pro forma condensed consolidated statements of operations is approximately $5.7 million and $11.5 million, using straight line amortization, for the six months ended December 31, 2015 and the twelve months ended June 30, 2015, respectively.

Inventories reflect an adjustment of $2.5 million, versus its historical carrying value, to record the inventory at its estimated fair value. This amount is recorded in the December 31, 2015 unaudited pro forma condensed consolidated balance sheet. The increased inventory will temporarily increase our cost of revenues after closing and therefore it is considered non-recurring and is not included in the unaudited pro forma condensed consolidated statements of operations for the six months ended December 31, 2015 and the twelve months ended June 30, 2015.

Property, plant and equipment's estimated fair market value reflects its book value. Total depreciation expense on the property, plant and equipment was approximately $1.5 million for the six months ended December 31, 2015 and $3.2 million for the twelve months ended June 30, 2015.

A preliminary deferred tax liability of $26.5 million has been recognized in accordance with accounting for income taxes. The amount primarily relates to the tax effect of the acquired intangible assets of $103.9 million and the tax effect on the difference between values assigned and the estimated tax basis of other assets and liabilities acquired.

The acquisition date fair value of the consideration to be transferred totaled approximately $300.0 million, consists of the following:

(in thousands)	
Term loan A	$200,000
Equity-assumed proceeds from this offering	94,320
Cash on hand	22,872
Total source of funds	317,192
Estimated fees and expenses	(17,192)
Total purchase price	$300,000

Adjustment B—Transaction-Related Expenses

Adjustment records $1.5 million decrease to cash and retained earnings associated with gross estimated transaction-related fees and expenses that will be charged to expense upon closing of the Acquisition.

Adjustment C—Debt Issuance and Deferred Financing Costs

Adjustment records decreases to cash and long-term debt of $1.7 million from debt issuance costs associated with the issuance of $200.0 million of long term debt, and increases to other assets and decreases to cash for $6.4 million of deferred financing costs associated with the issuance of debt. Debt issuance costs offset long-term debt and amortize as non-cash interest expense over the five year term of the bank term loan A. Deferred financing costs are deferred and amortized as non-cash interest expense over the five year term of the bank term loan A. The pro forma non-cash interest expense adjustments for these costs were $0.8 million and $1.7 million for the six months ended December 31, 2015 and twelve months ended June 30, 2015, respectively.

Adjustment D—Equity Offering

We intend to issue approximately $89.4 million in common stock in a public offering (net of underwriting fees of approximately $4.9 million) to fund a portion of the purchase price. Net proceeds were calculated based on 4,500,000 shares to be issued and an assumed offering price of $20.96 per share (the closing price of Mercury's stock on April 1, 2016) and an assumed underwriting discount of 5.25%. The gross proceeds and proceeds net of underwriting discount will vary to the extent the actual price for the common shares in the offering is higher or lower than the assumed $20.96 price per share.

We expect to incur additional costs in connection with the issuance of common stock of approximately $2.6 million. These figures assume that the 15% overallotment allocation exercisable in connection with the offering is not exercised. If the overallotment allocation is exercised, we would use less cash on hand to fund the Acquisition. These costs have been recorded as a reduction to additional paid in capital and cash of $7.5 million on the unaudited pro forma condensed consolidated balance sheet.

Adjustment E—Amortization of Intangibles

Adjustment records the net effect of additional amortization expense for intangible assets acquired from Carve-Out Business at fair value:

(in thousands, except weighted average live information)	Intangible Amount Fair Value	Pro Forma Amortization Expense Year Ended June 30, 2015	Pro Forma Amortization Expense Six Months Ended December 31, 2015	Weighted Average Lives (Years)
Customer relationships	$ 64,700	$ 5,777	$ 2,888	11.2
Backlog	$ 2,800	933	467	3.0
Trademarks / trade names	$ 400	133	67	3.0
Developed technology	$ 36,000	4,615	2,308	7.8
Subtotal		11,458	5,730	
Less original intangible amortization expense included in the historical financial statements of the Carve-Out Business		(8,011)	(2,791)	
Net amortization expense		$ 3,447	$ 2,939	

Adjustment F—Interest Expense on Debt Financing

Adjustment anticipates the completion of a debt financing at the time the Acquisition closes in the amount of $200.0 million through a bank term loan A with an assumed interest rate of 3.63% (based on 3-month LIBOR rate on April 1, 2016) and a five year term. The actual rates of interest can change from those assumed. If the actual rates were to increase or decrease by 0.125% from those assumed, then pro forma interest expense could increase or decrease by approximately $0.2 million per year. The pro forma interest expense adjustments were $3.6 million and $7.1 million for the six months ended December 31, 2015 and twelve months ended June 30, 2015, respectively.

Adjustment G—Weighted Average Shares

Adjustment records the anticipated increase in weighted average shares from equity offering to fund the Acquisition:

(in thousands)	Historic Twelve Months Ended June 30, 2015	Pro Forma Adjustments	Pro Forma Twelve Months Ended June 30, 2015
Weighted number of common shares—basic	32,114	4,500	36,614
Effect of dilutive equity instruments	825	—	825
Weighted number of common shares—diluted	32,939	4,500	37,439

(in thousands)	Historic Six Months Ended December 31, 2015	Pro Forma Adjustments	Pro Forma Six Months Ended December 31, 2015
Weighted number of common shares—basic	33,047	4,500	37,547
Effect of dilutive equity instruments	772	—	772
Weighted number of common shares—diluted	33,819	4,500	38,319

Adjustment H—Income Taxes

In the unaudited condensed consolidated pro forma balance sheet, the impact of pro forma adjustments increase deferred tax liabilities and goodwill by approximately $26.5 million, primarily related to the tax effect of acquired intangible assets, and increased current prepaid taxes and retained earnings by $0.6 million related to the tax impact of transaction costs. We expect that the Acquisition will result in approximately $25.0 million of goodwill that is deductible for tax purposes.

In the unaudited condensed consolidated pro forma statement of operations, an adjustment records the applicable tax provision on the pro forma adjustments presented. The pro forma adjustments pertain primarily to U.S. tax jurisdictions, and are subject to a 40% combined tax rate. These adjustments reduce income tax expense by $2.6 million and $4.8 million for the six months ended December 31, 2015 and twelve months ended June 30, 2015, respectively. The acquisition of the Carve-Out Business includes approximately $21.0 million of expected transaction tax benefits. These benefits relate to the tax deductibility of certain intangible assets and goodwill allocated from the purchase price. The estimated value of deductible intangible assets and goodwill for tax purposes are approximately $51.4 million over 15 years.

Adjustment I—Allocated Cost

Adjustment presents the Carve-Out Business' allocated costs to their functional cost and expense categories as follows:

	Operating Expenses Six Months Ended December 31, 2015	Operating Expenses Year Ended June 30, 2015
Cost of revenues	$ 51	$ 95
Sales, general and administrative	4,721	7,528
Research and development	767	1,397
	5,539	$ 9,020
less:		
Allocated costs	(5,539)	(9,020)
Total	$ —	$ —

Exhibit 99.5

THE CARVE-OUT BUSINESS

As previously reported, on March 23, 2016, Mercury Systems, Inc. (“Mercury”) and Microsemi Corporation (“Microsemi”) entered into a Stock Purchase Agreement (the “Purchase Agreement”), pursuant to which, subject to the satisfaction or waiver of certain conditions, Microsemi has agreed to sell all the membership interests in Microsemi LLC - RF Integrated Solutions (“RF LLC”) to Mercury (the “Acquisition”) for $300 million in cash on a cash-free, debt-free basis, subject to a working capital adjustment. RF LLC, directly and through subsidiaries, operates embedded security, RF and microwave, and custom microelectronics businesses of Microsemi (the “Carve-Out Business”). Set forth below is a brief summary of the Carve-Out Business.

Certain information discussed below may constitute “forward-looking statements” within the meaning of federal securities laws. Please refer to the cautionary language on forward-looking statements set forth in the Current Report on Form 8-K dated April 4, 2016, to which this Exhibit 99.5 has been filed as an exhibit.

References in this “The Carve-Out Business” section to “we,” “our,” “us,” and the “Company” refer collectively to Microsemi LLC – RF Integrated Solutions and its consolidated subsidiaries, except where the context otherwise requires or as otherwise indicated. The Company consists of multiple legal entities operating under the Power and Microelectronics Group within Microsemi Corporation.

We are a leader in the design, development, and production of sophisticated electronic subsystems and components for use in high-technology products for defense and aerospace markets. Our defense electronics solutions include high-density memory modules, secure solid-state drives, secure GPS receiver modules, high-power RF amplifiers, millimeter-wave modules and subsystems, and specialized software and firmware for anti-tamper applications. Our customers, which include many significant defense prime contractors, outsource many of their electronic design and manufacturing requirements to us as a result of our specialized capabilities in packaging electronics for environments that are constrained in terms of size, weight and power (SWaP) requirements, a focus on security and the unique requirements of defense applications, and its expertise in RF and microwave technologies. Our products and technologies are used in a variety of defense applications, including missiles and precision munitions, fighter and surveillance aircraft, airport security portals, and advanced electronic systems for radar and electronic warfare.

We are primarily the combination of acquisitions made by Microsemi Corporation of White Electronic Designs Corporation, AML Communications, Endwave Defense Systems, and Arxan Defense Systems, Inc. We provide products in three distinct technology areas that are highly synergistic and work closely together to accelerate growth and advance next generation technologies. Our three technology focus areas are:

- *Custom Microelectronics*. Our custom microelectronics products, designed and manufactured in our Phoenix, Arizona facility, include SWaP-efficient memory modules, secure solid state drives (“SSDs”), secure GPS receiver technologies, and custom microelectronic solutions for defense and aerospace customers.

- *Radio Frequency and Microwave Solutions*. Our RF and microwave solutions products, manufactured in Camarillo, California with an engineering satellite office in San Jose, California, provide high-power, high frequency and broadband RF components and subsystems for defense and homeland security applications.
- *Embedded Security*. Our embedded security solutions, provided through our West Lafayette, Indiana facility, include anti-tamper assessment and systems engineering services as well as proprietary firmware and software that are licensed to defense and commercial customers.

Custom Microelectronics - Key Markets, Products, and Programs

Our custom microelectronics products include SWaP-efficient memory modules, secure SSDs, secure GPS receiver modules, and other custom microelectronic solutions, primarily for defense and aerospace customers. Custom microelectronic products are generally sold directly to defense prime contractors or through select distributors, and customers generally require products to pass specific qualifications due to the demanding environmental requirements of defense applications (e.g., temperature, shock, etc.).

Missiles and Precision Ordinance. The missiles and precision ordinance market requires highly packaged (SWaP) guidance and navigation capabilities that can operate in extreme environments and often requires sophisticated security enhancements to protect against tamper and guidance interference. Examples of products and programs include the following:

- Products: GPS receivers and circuit card assemblies.
- Select Programs: Precision-Guided Kit (PGK), Paveway, Tomahawk, and classified wide-body aircraft navigation.

Aircraft. The Aircraft market demand is driven by the need to integrate more electronics content on a smaller physical footprint custom microelectronic solutions. Example products and programs include the following:

- Products: Memory modules (SWaP-efficient memory), SSDs and custom solutions (custom-packaged multi-chip-modules for AESA radar and EW applications).
- Select Programs: F-35 Joint Strike Fighter, P-8, KC-46, and F-16.

Radio Frequency and Microwave Solutions – Key Markets, Products and Programs

Our radio frequency and microwave solutions products include high power, high frequency, broadband RF components and subsystems provided to defense and homeland security customers. Our products are generally sold to defense prime contractors and have the ability to deliver superior signal integrity in demanding environments, including external pods on high-altitude aircraft, artillery batteries, and munitions. We have established relationships with key customers, including Raytheon and Boeing, that have led design wins on franchise programs that will extend into future years.

Missiles and Precision Ordinance. The missiles and precision ordinance market is the main market for compact RF components and assemblies used in guidance. Example products and programs include the following:

- Products: Transceiver Subsystems (Ka-band transmitter/receiver with the ability to amplify, filter, and downconvert).
- Select Programs: Small Diameter Bomb-II ("SDB-II"), Miniature Air Launched Decoy ("MALD"), and Phalanx Close-in Weapon System (CIWS).

Airborne Radar. The demand for airborne radar products is driven by SWaP constraints and signal integrity, leading to more highly- packaged RF and digital technologies that integrate multiple RF/digital functions in a single package. Example products and programs include the following:

- Products: Signal sensing RF subsystems (LO-distribution / BIT subsystems and switched converter subsystems), DRFM subsystem (multi-function assemblies with digital functionality), and Gallium Nitride (GaN) Power Amplifiers (high performance solid state amplifiers).
- Select Programs: AWACS, LCMR and G/ATOR.

Homeland Security. A key market for our next-generation RF scanning products is Homeland Security. Example products and programs include the following:

- Products: Millimeter wave (mmw) transceivers (antenna mast for next generation ProVision security scanner and mmw imaging subsystems).
- Select Programs: L-3 ProVision and L-3 ProVision 2.

Embedded Security - Key Markets, Products, and Programs

Our embedded security solutions include anti-tamper solutions providing full-service support to defense customers in security systems designed to protect against tampering, piracy, and reverse engineering. Our services and intellectual property products are generally sold to Tier 1 through Tier 3 military contractors, including the defense prime contractors and embedded computing providers. We also provide services and license technologies to customers in various commercial industries. We employ a services-led engagement business model for our security solutions products. In this model, we provide services, such as anti-tamper planning, critical program information ("CPI") identification, and vulnerability assessments early on in the lifecycle of a military program. If successful, a customer typically engages us to implement the security plan that was developed, which often includes one or more intellectual property licenses.

Defense. In the defense market, we focus on assessments and program security planning and implementation for defense prime contractors and suppliers. Example products include the following:

- Products, technologies and services: Security technologies, including scalable anti-tamper and information assurance products. Examples include: EnforcIT,

WhiteboxCRYPTO, and CodeSEAL. CPI identification, security/protection design, cryptography design and analysis, automated software analysis, vulnerability assessment, side channel analysis (DPA & DCA) testing and analysis, and blue team / red team.

Commercial. In the commercial market, demand for products and services is driven by increased reliance on the internet of things and networked devices. Example products and services include the following:

- Products and Services: We have developed a product called CANGuard, which provides advanced security for the electronic communications and control architectures on a wide variety of vehicles. We are currently under contract to evaluate applying this technology to an automotive application.

Research & Development

Our research and development ("R&D") expense is largely comprised of engineering salaries as well as outside engineering services and prototype services. As of December 31, 2015, we had 50 employees focused on research and development.

Manufacturing

Our Phoenix, Arizona facility manufactures our custom microelectronics products in International Organization for Standardization, or ISO, 9001:2008 and AS9100 quality system certified facilities. This is a DMEA certified trusted manufacturing facility and is primarily focused on advanced secure system-on-chip design, assembly, packaging, and test.

Our Camarillo, California facility manufactures our radio frequency and microwave products in ISO 9001:2008 and AS9100 quality system certified facilities. This facility is primarily focused on millimeter wave RF products up to 100GHz, gallium nitride-based power amplifiers and subsystems, analog and digital mixed signal system-on-chip capabilities, and custom modules for active electronically scanned arrays.

We do not manufacture hardware in our embedded security product line.

Competition

In the defense electronics market, we primarily compete based on performance, quality, durability, price, and on-time delivery. Competition discriminators for each of our technology focus areas are as follows:

- Our custom microelectronics products compete primarily on their highly differentiated capabilities as they relate to SWaP-efficient memory and secure storage.
- Our radio frequency and microwave solutions products specialize in high-power broadband amplifiers and subsystems (GaN) as well as integrated digital and RF solutions that are SWaP-C efficient.
- In embedded security, we are a leading provider of unique security solutions to defense clients focused on areas such as anti-tamper, piracy and reverse-engineering.

Intellectual Property and Proprietary Rights

As of December 31, 2015, we held 19 patents of varying duration issued in the United States, including patents Microsemi has agreed in the Purchase Agreement it will transfer to us prior to closing. We file U.S. patent applications and, where appropriate, foreign patent applications. We also file continuations to cover both new and improved designs and products.

We also rely on a combination of trade secret, copyright, and trademark laws, as well as contractual agreements, to safeguard our proprietary rights in technology and products. In seeking to limit access to sensitive information to the greatest practical extent, we routinely enter into confidentiality and assignment of invention agreements with each of our employees and consultants and nondisclosure agreements with our key customers and vendors.

Backlog

As of January 3, 2016, we had a backlog of orders aggregating approximately $45.3 million.

Employees

As of December 31, 2015, we had 275 employees, of which almost all are employed on a full-time basis. Of our 275 total employees, 50 were in research and development, 9 in sales and marketing, 161 in manufacturing and customer support and 55 in general and administrative functions. All of our employees are located in the United States. We do not have any employees represented by a labor organization, and we believe that our relations with our employees are good.

Customers

Our customers consist mainly of defense prime contractors in the United States as well as distributors of our equipment. Some of our top customers include defense prime contractors such as L-3 Communications, Raytheon, and Boeing as well as distributors such as Arrow and Avnet.

Exhibit 99.6

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS OF THE CARVE-OUT BUSINESS

As previously reported, on March 23, 2016, Mercury Systems, Inc. ("Mercury") and Microsemi Corporation ("Microsemi") entered into a Stock Purchase Agreement (the "Purchase Agreement"), pursuant to which, subject to the satisfaction or waiver of certain conditions, Microsemi has agreed to sell all the membership interests in Microsemi LLC - RF Integrated Solutions ("RF LLC") to Mercury (the "Acquisition") for $300 million in cash on a cash-free, debt-free basis, subject to a working capital adjustment. RF LLC, directly and through subsidiaries, operates embedded security, RF and microwave, and custom microelectronics businesses of Microsemi (the "Carve-Out Business"). Set forth below is a Management's Discussion and Analysis of Financial Condition and Results of Operations of the Carve-Out Business.

References in this "Management's Discussion and Analysis of Financial Condition and Results of Operations of the Carve-Out Business" section to "we," "our," "us," and the "Company" refer collectively to Microsemi LLC – RF Integrated Solutions and its consolidated subsidiaries, except where the context otherwise requires or as otherwise indicated. The Company consists of multiple legal entities operating under the Power and Microelectronics Group within Microsemi Corporation. This "Management's Discussion and Analysis of Financial Condition and Results of Operation of the Carve-Out Business" should be read in conjunction with the audited and unaudited quarterly financial statements for the Carve-Out Business included as Exhibits 99.2 and 99.3, respectively, to the Form 8-K filed by Mercury on April 4, 2016.

Certain information discussed below may constitute "forward-looking statements" within the meaning of federal securities laws. Please refer to the cautionary language on forward-looking statements set forth in the Current Report on Form 8-K dated April 4, 2016, to which this Exhibit 99.6 has been filed as an exhibit.

Overview

We are a leader in the design, development, and production of sophisticated electronic subsystems and components for defense prime customers. We design, develop, and manufacture innovative electronic components and subsystems for inclusion in high technology products for defense and aerospace markets. Our defense electronics solutions include high-density memory modules, secure solid state drives, secure GPS receiver modules, high power Radio Frequency ("RF") amplifiers, millimeter wave modules and subsystems, and specialized software and firmware for anti-tamper applications. Our customers, which include many significant defense military prime contractors, outsource many of their defense electronic design and manufacturing requirements to us as a result of our specialized capabilities in packaging electronics for environments that are constrained in terms of size, weight and power ("SWaP") requirements, a focus on security and the unique requirements of defense applications, and expertise in RF and microwave. Our products and technologies are used in a variety of defense applications, including missiles and precision munitions, fighter and surveillance aircraft, airport security portals, and advanced electronic systems for radar and electronic warfare.

We are primarily the combination of acquisitions made by Microsemi Corporation of White Electronic Designs Corporation, AML Communications, Endwave Defense Systems, and Arxan Defense Systems, Inc. We provide products in three distinct technology areas that are highly synergistic and work closely together to accelerate growth and advance next generation technologies. Our three technology focus areas are:

- *Custom Microelectronics*. Our custom microelectronics products, designed and manufactured in our Phoenix, Arizona facility, include size, weight and power (SWaP)-efficient memory modules, secure solid state drives ("SSDs"), secure GPS receiver technologies, and custom solutions for defense and aerospace customers.
- *Radio Frequency and Microwave Solutions*. Our RF and microwave solutions products, manufactured in Camarillo, California with an engineering satellite office in San Jose, California, provide high-power, high frequency and broad band RF components and subsystems for defense and homeland security applications.
- *Embedded Security*. Our embedded security solutions, provided through our West Lafayette, Indiana facility, include anti-tamper assessment and systems engineering services as well as proprietary firmware and software that we license to defense and commercial customers.

Results of Operations of the Carve-Out Business

Three months ended January 3, 2016 compared to three months ended December 28, 2014

(In thousands)	Three Months Ended January 3, 2016	Three Months Ended December 28, 2014	$ Change	% Change
Revenue	$ 24,976	$ 25,240	$ (264)	(1)%
Total Costs and Operating Expenses	$ 21,607	$ 22,699	$ (1,092)	(5)%
Income Tax Provision	$ 1,044	$ 995	$ 49	5%

Revenues

The Carve-Out Business' revenue for the three months ended January 3, 2016 were $25.0 million, a decrease of $0.3 million, or 1%, compared to the same period in fiscal 2015.

Total Costs and Operating Expenses

The Carve-Out Business' operating expenses for the three months ended January 3, 2016 were $21.6 million compared to $22.7 million in the same period of the previous year, a decrease of $1.1 million, or 5%. The decrease was driven by $1.0 million in lower amortization expense as a result of intangible assets becoming fully amortized, partially offset by an increase in research and development expenses.

Cost of Sales

Cost of sales were $12.4 million or 50% of revenue for the three months ended January 3, 2016 as compared to $13.0 million or 52% of revenues during the same three month period in fiscal 2015 due to change in mix.

Selling, General and Administrative

Selling, general and administrative expenses were $2.4 million for the three months ended January 3, 2016 compared to $2.3 million during the same period in fiscal 2015 and flat as a percent of revenues.

Research and Development

Research and development costs rose slightly to $2.7 million during the three months ended January 3, 2016 as compared to $2.4 million during the same period in fiscal 2015.

Amortization of Intangible Assets

Amortization of intangible assets was $1.4 million during the three months ended January 3, 2016 compared to $2.4 million during the same period in fiscal 2015 as a result of an intangible asset becoming fully amortized.

Allocated Costs

The Carve-Out Business' corporate allocated costs for the three months ended January 3, 2016 were $2.7 million as compared to $2.3 million for the same period in fiscal 2015.

Restructuring and Severance Charges

Restructuring and severance charges were $0.0 million in the three months ended January 3, 2016 compared to $0.3 million for the same period in fiscal 2015.

Income Tax Provision

The Carve-Out Business recorded an income tax provision of $1.0 million for three months ended January 3, 2016 as compared to a $1.0 million income tax provision for the same period in fiscal 2015. The effective tax rate for both periods differed from the federal statutory tax rate of 35% primarily due to the impact of research and development credits, state income taxes, valuation allowances, and certain expenses not deductible for income tax purposes.

Year ended September 27, 2015 compared to the year ended September 28, 2014

(In thousands)	Year Ended September 27, 2015	Year Ended September 28, 2014	$ Change	% Change
Revenue	$ 99,445	$ 87,209	$12,236	14%
Total Costs and Operating Expenses	$ 89,011	$ 93,002	$ (3,991)	(4)%
Income tax provision (benefit)	$ 4,095	$ (2,734)	$ 6,829	250%

Revenues

The Carve-Out Business' revenues for the year ended September 27, 2015 were $99.4 million, an increase of $12.2 million, or 14%, compared to the previous fiscal year. The increase is primarily driven by higher sales in GPS receivers.

Total Costs and Operating Expenses

The Carve-Out Business' total cost and operating expenses for the year ended September 27, 2015 were $89.0 million, compared to $93.0 million in the previous fiscal year, a decrease of 4%.

Cost of Sales

Cost of sales for the Carve-Out Business for the year ended September 27, 2015 was $52.2 million compared to $51.9 million during fiscal 2014. Despite 14% higher revenues, cost of sales remained flat due to mix coupled with continued manufacturing efficiencies.

Selling, General and Administrative

Selling, general and administrative expenses were $9.2 million for the year ended September 27, 2015 as compared to $11.9 million for fiscal 2014 due to continued costs saving activities.

Research and Development

Research and development costs were $10.2 million for the year ended September 27, 2015 as compared to $10.9 million during fiscal year 2014 due to cost saving activities.

Amortization of Intangible Assets

Amortization expense was $8.0 million during the year ended September 27, 2015 as compared to $10.8 million during fiscal 2014 due to certain intangible assets becoming fully amortized.

Allocated Costs

The Carve-Out Business' corporate allocated costs for the year ended September 27, 2015 were $9.0 million compared to $6.4 million during the previous year.

Restructuring and Severance Charges

Restructuring and severance charges were $0.4 million in the fiscal year ended September 27, 2015 compared to $1.1 million during the prior year as restructuring activities wound down.

Income Tax Provision

The Carve-Out Business recorded an income tax provision of $4.1 million for the year ended September 27, 2015 as compared to a $2.7 million income tax benefit for the same period in the previous fiscal year. The effective tax rate for both periods differed from the federal statutory tax rate of 35% primarily due to the impact of research and development credits, state income taxes, valuation allowances, and certain expenses not deductible for income tax purposes.

Year ended September 28, 2014 compared to the year ended September 29, 2013

(In thousands)	Year Ended September 28, 2014	Year Ended September 29, 2013	$ Change	% Change
Revenue	$ 87,209	$ 93,623	$ (6,414)	(7)%
Total costs and operating expenses	$ 93,002	$ 98,864	$ (5,862)	(6)%
Income tax (benefit)	$ (2,734)	$ (2,211)	$ (523)	(24)%

Revenue

The Carve-Out Business' revenue for the year ended September 28, 2014 was $87.2 million, a decrease of $6.4 million, or 7%, compared to the previous fiscal year. The decrease is primarily driven by lower sales for an end of life RF product.

Total Costs and Operating Expenses

The Carve-Out Business' total costs and operating expenses for the year ended September 28, 2014 were $93.0 million, compared to $98.9 million during the previous fiscal year. The decrease was primarily due to $2.3 million in lower research and development costs and a $1.6 million decline in selling, general and administrative expenses.

Cost of Sales

Cost of sales for the Carve-Out Business were $52.0 million or 60% of revenues during the year ended September 28, 2014 compared to $54.9 million or 59% of revenues in fiscal 2013.

Selling, General and Administrative

Selling, general and administrative expense declined to $11.9 million during the year ended September 28, 2014 from $13.5 million during fiscal 2013 due to cost saving activities initiated during the year.

Research and Development

Research and development costs were $10.9 million for the year ended September 28, 2014 as compared to $13.2 million during fiscal 2013 as the business focused on cost containment.

Amortization of Intangible Assets

Amortization of intangible assets were $10.8 million and $10.9 million for the years ended September 28, 2014 and September 29, 2013, respectively.

Allocated Costs

The Carve-Out Business' corporate allocated costs for the year ended September 28, 2014 were $6.4 million as compared to $5.4 million during fiscal 2013.

Restructuring and Severance Charges

Restructuring and severance charges were flat at $1.1 million for the years ended September 28, 2014 and September 29, 2013, respectively.

Income Tax Provision

The Carve-Out Business recorded an income tax benefit of $2.7 million for the year ended September 28, 2014 as compared to a $2.2 million income tax benefit for the same period in the previous fiscal year. The effective tax rate for both periods differed from the federal statutory tax rate of 35% primarily due to the impact of research and development credits, state income taxes, valuation allowances, and certain expenses not deductible for income tax purposes.

Liquidity and Capital Resources

Sources of Liquidity and Capital

Cash is managed centrally and most cash generated by the Carve-Out Business was remitted to Microsemi. Such centralized cash management transactions relating to the Carve-Out Business are reflected through the Microsemi net investment in equity. Accordingly, none of the centrally managed cash at Microsemi's corporate level have been reflected in the Carve-Out Business consolidated financial statements.

Cash Flows

(In thousands)	Three months ended January 3, 2016	Three months ended December 28, 2014	Year ended September 27, 2015	Year ended September 28, 2014	Year ended September 29, 2013
Net cash provided by operating activities	$ 5,762	$ 2,981	$ 13,537	$ 6,223	$ 9,215
Net cash used in investing activities	$ (655)	$ (392)	$ (1,866)	$ (1,860)	$ (5,168)
Net cash used in financing activities	$ (5,107)	$ (2,589)	$ (11,671)	$ (4,363)	$ (4,047)
Net increase in cash and cash equivalents	$ —	$ —	$ —	$ —	$ —
Cash and cash equivalents at end of period	$ —	$ —	$ —	$ —	$ —

Net cash provided from operating activities was $5.8 million and $3.0 million for the three month periods ended January 3, 2016 and December 28, 2014, respectively. Cash provided from operating activities for the years ended September 27, 2015, September 28, 2014 and September 29, 2013 were $13.5 million, $6.2 million and $9.2 million, respectively.

Net cash used in investing activities was $0.7 million and $0.4, million for the three month periods ended January 3, 2016 and December 28, 2014, respectively. Cash used in investing activities for the years ended September 27, 2015, September 28, 2014 and September 29, 2013 were $1.9 million, $1.9 million and $5.2 million, respectively.

Cash used in financing activities was $5.1 million and $2.6 million for the three month periods ended January 3, 2016 and December 28, 2014, respectively. Cash used in financing activities for the years ended September 27, 2015, September 28, 2014 and September 29, 2013 were $11.7 million, $4.4 million and $4.0 million, respectively.

Commitments, Contractual Obligations and Contingencies

The following is a schedule of the Carve-Out Business commitments and contractual obligations outstanding at December 31, 2015:

(In millions)	2016	2017	2018	2019	2020 & Thereafter	Total
Operating lease agreements	$1,179	$1,244	$1,259	$1,250	$ 1,000	$5,932

Off-Balance Sheet Arrangements

Other than lease commitments incurred in the normal course of business and certain indemnification provisions, the Carve-Out Business did not have any off-balance sheet financing arrangements or liabilities, guarantee contracts, retained or contingent interests in transferred assets, or any obligation arising out of a material variable interest in an unconsolidated entity.

The Carve-Out Business did not have any majority-owned subsidiaries that are not consolidated in the financial statements. Additionally, the Carve-Out Business does not have an interest in, or relationships with, any special purpose entities.

Critical Accounting Policies and Significant Judgments and Estimates

Revenue Recognition

The Carve-Out Business primarily recognizes revenue from customers, including distributors, when title and risk of loss have passed to the customer provided that: 1) evidence of an arrangement exists; 2) delivery has occurred; 3) the fee is fixed or determinable; and 4) collectability is reasonably assured. For substantially all sales, revenue is recognized, net of estimated returns and discounts, at the time the product is shipped.

The Carve-Out Business enters into distribution agreements that permit rights to limited stock rotations, returns, price protection, and volume purchase and other discounts. The Carve-Out Business provides an estimated allowance for these rights and records a corresponding reduction in revenue. The estimated allowance is based on several factors including past history and notification from customers of pending activity. Actual activity under such rights have been within management’s expectations.

Inventory Valuation

Inventories are stated at the lower cost, as determined using the first-in, first-out method, or market. Costs include materials, labor and manufacturing overhead. The carrying value of inventories is evaluated taking into account such factors as historical and anticipated future sales compared with quantities on hand and the price the Carve-Out Business expects to obtain for its products in their respective markets. The Carve-Out Business also evaluates the composition of its inventories to identify any slow-moving, excess or obsolete products. Additionally, inventory write-downs are made based on such judgments for any inventories that are identified as having a net realizable value less than their cost, which is further reduced by related selling expenses. The net realizable value of inventories for ongoing operations has generally been within management’s estimates.

Goodwill, Intangible Assets and Long-Lived Assets

The Carve-Out Business assesses the impairment of long-lived assets whenever events or changes in circumstances indicate their carrying value may not be recoverable from the undiscounted estimated future cash flows expected to result from their use. Judgments and assumptions may be required in identifying those events or changes in circumstances that may trigger impairment. Some of the factors considered include:

- Significant decrease in the market value of an asset.
- Significant changes in the extent or manner for which the asset is being used or in its physical condition including manufacturing plant closures.

- A significant change, delay or departure in our business strategy related to the asset.
- Significant negative changes in the business climate, industry or economic conditions.
- Current period operating losses or negative cash flow combined with a history of similar losses or a forecast indicates continuing losses associated with the use of an asset.

If events or circumstances indicate the carrying amount of a long-lived asset group may not be recoverable and the expected undiscounted future cash flows attributable to the asset group are less than the carrying value, an impairment loss equal to the excess of the carrying value of the assets within the asset group over their fair value is recorded. The appropriate asset group is determined based on the lowest level of largely independent cash inflows and outflows of the related assets. Depending on the nature of the primary assets in the asset group, fair value is estimated using one of several approaches including replacement cost, appraised values, market quotes or estimated expected future cash flows using a discount rate commensurate with the risk involved.

The Carve-Out Business accounts for goodwill on an impairment-only approach and amortizes intangible assets with definite useful lives over the benefit period, which approximates straight-line expense over the respective useful lives. Qualitative factors are assessed to determine whether it is more likely than not an indefinite-lived intangible such as goodwill is impaired as the basis for determining whether a qualitative impairment test is required. Definite-lived intangible assets are assessed for impairment whenever events or changes in circumstances indicate the carrying value of an asset may not be fully recoverable. Whenever the Carve-Out Business determines that there has been an impairment of goodwill or other intangible assets with indefinite lives, an impairment charge is recorded against earnings. The Carve-Out Business operates as one reporting unit and an impairment charge would equal the excess of the carrying value of goodwill in its one reporting unit over its then fair value. The identification of intangible assets and determination of the fair value and useful lives are subjective in nature and often involve the use of significant estimates and assumptions. The judgments made in determining the estimated useful lives assigned to each class of asset can significantly affect net income. The Carve-Out Business completed its most recent qualitative analysis during the fourth quarter of 2015 and noted no significant factors existed during the fiscal year to indicate it was more likely than not the fair value of the reporting unit is less than its carrying amount.

Income Taxes

In the Carve-Out Business consolidated financial statements, income tax expense and deferred tax balances have been calculated on a separate return basis, although the Carve-Out Business operations have historically been included in the tax returns filed by the respective Microsemi entities of which the Carve-Out Business is a part.

The Carve-Out Business recognizes tax benefits in its financial statements when its uncertain tax positions are more likely than not to be sustained upon audit. The amount recognized is measured as the largest amount of benefit that is greater than 50 percent likely of being realized upon ultimate settlement. The Carve-Out Business recognizes deferred tax assets for deductible

temporary differences, operating loss carryforwards and tax credit carryforwards. Deferred tax assets are reduced by a valuation allowance if it is more likely than not that some portion, or all, of the deferred tax assets will not be realized.

The Carve-Out Business maintains an income taxes payable to/from account with Microsemi. The Carve-Out Business is deemed to settle current tax balances with the Microsemi tax paying entities in the respective jurisdictions. The Carve-Out Business' current income tax balances are reflected as income taxes payable and settlements, which are deemed to occur in the year following incurrence, are reflected as changes in the net Microsemi investment in the consolidated balance sheets.

Cost Allocations

Management believes the assumptions and allocations underlying the consolidated financial statements are reasonable and appropriate. The expenses and cost allocations have been determined on a basis that Microsemi and the Carve-Out Business consider to be a reasonable reflection of the utilization of services provided or the benefit received by the Carve-Out Business during the periods presented.

Recently Adopted Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2014-09 which provides guidance on how 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 and on accounting for costs to obtain or fulfill a contract with a customer. The ASU also requires expanded disclosure regarding the nature, amount, timing and uncertainty of revenue that is recognized. In July 2015, the FASB decided to delay the effective date of this ASU by one year. ASU 2014-09 is effective for fiscal years, and interim periods within those years, beginning after December 15, 2017, and can be adopted either retrospectively to each prior reporting period presented or as a cumulative-effect adjustment as of the date of adoption, with early application permitted as of the original effective date. The Carve-Out Business is currently assessing the adoption and impact of this ASU on its consolidated financial position and results of operations.

In June 2014, the FASB issued ASU 2014-12 which provides guidance on how to account for share-based payment awards where the terms of the award provide that a performance target that affects vesting could be achieved after the requisite service period. The ASU requires that a performance target that affects vesting and that could be achieved after the requisite service period be treated as a performance condition. ASU 2014-12 is effective for annual periods, and interim periods within those annual periods, beginning after December 15, 2015, and early adoption is permitted. The Carve-Out Business is currently assessing the impact of this ASU on its consolidated financial position and results of operations.

In August 2014, the FASB issued ASU 2014-15 which provides guidance on management's responsibility to evaluate whether there is substantial doubt about an entity's ability to continue as a going concern within one year after the date that the financial statements are issued (or

within one year after the date that the financial statements are available to be issued when applicable) and to provide related footnote disclosures. ASU 2014-15 is effective for the annual period ending after December 15, 2016, and for annual periods and interim periods thereafter. Early application is permitted. The Carve-Out Business does not anticipate that adoption of this ASU will impact its consolidated financial position and results of operations.

In July 2015, the FASB issued ASU 2015-11 whose objective is to simplify the subsequent measurement of inventory by using only the lower of cost or net realizable value. Net realizable value is the estimated selling prices in the ordinary course of business, less reasonably predictable costs of completion, disposal, and transportation. ASU 2015-11 is effective for annual periods, and interim periods within those annual periods, beginning after December 15, 2016. The Carve-Out Business does not anticipate that adoption of this ASU will impact its consolidated financial position and results of operations.

In September 2015, the FASB issued ASU 2015-16 whose objective is to simplify the accounting for measurement-period adjustments from a business combination. GAAP currently requires that during the measurement period, the acquirer retrospectively adjust provisional amounts recognized at the acquisition date with a corresponding adjustment to goodwill. The acquirer must revise comparative information for prior periods presented in financial statements as needed. ASU 2015-16 eliminates the requirement to retrospectively account for those adjustments. ASU 2015-16 is effective for annual periods beginning after December 15, 2016. The Carve-Out Business elected to early adopt this ASU retrospectively and adoption did not impact its consolidated financial position, results of operations or cash flows.

In November 2015, the FASB issued ASU 2015-17 whose objective is to simplify the presentation of deferred income tax assets and liabilities. ASU 2015-17 requires all deferred tax assets and liabilities, and any related valuation allowance, to be classified as noncurrent on the balance sheet. ASU 2015-17 is effective for financial statements issued for annual periods beginning after December 15, 2016, and interim periods within those annual periods. The Carve-Out Business does not anticipate that adoption of this ASU will impact its consolidated financial position and results of operations.