
UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

Form 10-Q

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

For the quarterly period ended September 30, 2016

OR

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

For the transition period from _____ to _____

Commission File Number 333-199861

MYLAN N.V.

(Exact name of registrant as specified in its charter)

The Netherlands

(State or other jurisdiction of incorporation or organization)

98-1189497

(I.R.S. Employer Identification No.)

Building 4, Trident Place, Mosquito Way, Hatfield, Hertfordshire, AL10 9UL, England

(Address of principal executive offices)

+44 (0) 1707-853-000

(Registrant's telephone number, including area code)

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

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

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

Large accelerated filer Accelerated filer

Non-accelerated filer (Do not check if a smaller reporting company) Smaller reporting company

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

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

As of November 4, 2016, there were 535,105,253 of the issuer's €0.01 nominal value ordinary shares outstanding.

MYLAN N.V. AND SUBSIDIARIES

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September 30, 2016

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PART I — FINANCIAL INFORMATION

MYLAN N.V. AND SUBSIDIARIES
Condensed Consolidated Statements of Operations
(Unaudited; in millions, except per share amounts)

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2016	2015	2016	2015
Revenues:				
Net sales	\$ 3,029.5	\$ 2,676.2	\$ 7,745.5	\$ 6,887.8
Other revenues	27.6	19.0	63.6	50.8
Total revenues	3,057.1	2,695.2	7,809.1	6,938.6
Cost of sales	1,773.8	1,379.9	4,447.1	3,785.1
Gross profit	1,283.3	1,315.3	3,362.0	3,153.5
Operating expenses:				
Research and development	199.1	174.8	632.2	512.9
Selling, general and administrative	656.9	537.1	1,787.6	1,584.5
Litigation settlements and other contingencies, net	558.0	2.3	556.4	19.1
Total operating expenses	1,414.0	714.2	2,976.2	2,116.5
(Loss) earnings from operations	(130.7)	601.1	385.8	1,037.0
Interest expense	144.4	95.1	305.0	268.5
Other expense, net	50.2	50.9	184.0	71.4
(Loss) earnings before income taxes and noncontrolling interest	(325.3)	455.1	(103.2)	697.1
Income tax (benefit) provision	(205.5)	26.5	(165.7)	44.0
Net (loss) earnings	(119.8)	428.6	62.5	653.1
Net earnings attributable to the noncontrolling interest	—	—	—	(0.1)
Net (loss) earnings attributable to Mylan N.V. ordinary shareholders	\$ (119.8)	\$ 428.6	\$ 62.5	\$ 653.0
(Loss) earnings per ordinary share attributable to Mylan N.V. ordinary shareholders:				
Basic	\$ (0.23)	\$ 0.87	\$ 0.12	\$ 1.40
Diluted	\$ (0.23)	\$ 0.83	\$ 0.12	\$ 1.32
Weighted average ordinary shares outstanding:				
Basic	523.6	490.5	505.9	466.2
Diluted	523.6	514.0	515.2	493.2

See Notes to Condensed Consolidated Financial Statements

MYLAN N.V. AND SUBSIDIARIES
Condensed Consolidated Statements of Comprehensive Earnings
(Unaudited; in millions)

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2016	2015	2016	2015
Net (loss) earnings	\$ (119.8)	\$ 428.6	\$ 62.5	\$ 653.1
Other comprehensive earnings (loss), before tax:				
Foreign currency translation adjustment	290.6	(148.4)	645.5	(526.7)
Change in unrecognized gain (loss) and prior service cost related to defined benefit plans	0.1	—	(0.3)	3.9
Net unrecognized gain (loss) on derivatives in cash flow hedging relationships	22.8	(84.2)	(22.9)	(67.4)
Net unrecognized loss on derivatives in net investment hedging relationships	(10.4)	—	(10.4)	—
Net unrealized gain (loss) on marketable securities	21.5	(0.2)	32.5	(0.4)
Other comprehensive earnings (loss), before tax	324.6	(232.8)	644.4	(590.6)
Income tax provision (benefit)	13.7	(30.8)	0.5	(24.0)
Other comprehensive earnings (loss), net of tax	310.9	(202.0)	643.9	(566.6)
Comprehensive earnings	191.1	226.6	706.4	86.5
Comprehensive earnings attributable to the noncontrolling interest	—	—	—	(0.1)
Comprehensive earnings attributable to Mylan N.V. ordinary shareholders	\$ 191.1	\$ 226.6	\$ 706.4	\$ 86.4

See Notes to Condensed Consolidated Financial Statements

MYLAN N.V. AND SUBSIDIARIES
Condensed Consolidated Balance Sheets
(Unaudited; in millions, except share and per share amounts)

	September 30, 2016	December 31, 2015
ASSETS		
Assets		
Current assets:		
Cash and cash equivalents	\$ 1,256.6	\$ 1,236.0
Accounts receivable, net	3,098.9	2,689.1
Inventories	2,687.5	1,951.0
Prepaid expenses and other current assets	922.1	596.6
Total current assets	7,965.1	6,472.7
Property, plant and equipment, net	2,284.2	1,983.9
Intangible assets, net	15,613.4	7,221.9
Goodwill	9,633.1	5,380.1
Deferred income tax benefit	441.8	457.6
Other assets	600.9	751.5
Total assets	<u>\$ 36,538.5</u>	<u>\$ 22,267.7</u>
LIABILITIES AND EQUITY		
Liabilities		
Current liabilities:		
Trade accounts payable	\$ 1,254.9	\$ 1,109.6
Short-term borrowings	54.2	1.3
Income taxes payable	164.5	92.4
Current portion of long-term debt and other long-term obligations	4,434.6	1,077.0
Other current liabilities	3,645.8	1,841.9
Total current liabilities	9,554.0	4,122.2
Long-term debt	11,328.6	6,295.6
Deferred income tax liability	2,189.6	718.1
Other long-term obligations	1,637.5	1,366.0
Total liabilities	24,709.7	12,501.9
Equity		
Mylan N.V. shareholders' equity		
Ordinary shares — nominal value €0.01 per ordinary share		
Shares authorized: 1,200,000,000		
Shares issued: 536,384,447 and 491,928,095 as of September 30, 2016 and December 31, 2015	6.0	5.5
Additional paid-in capital	8,484.6	7,128.6
Retained earnings	4,524.6	4,462.1
Accumulated other comprehensive loss	(1,120.4)	(1,764.3)
	11,894.8	9,831.9
Noncontrolling interest	1.5	1.4
Less: Treasury stock — at cost		
Shares: 1,311,193 as of September 30, 2016 and December 31, 2015	67.5	67.5
Total equity	11,828.8	9,765.8
Total liabilities and equity	<u>\$ 36,538.5</u>	<u>\$ 22,267.7</u>

See Notes to Condensed Consolidated Financial Statements

MYLAN N.V. AND SUBSIDIARIES
Condensed Consolidated Statements of Cash Flows
(Unaudited; in millions)

	Nine Months Ended	
	September 30,	
	2016	2015
Cash flows from operating activities:		
Net earnings	\$ 62.5	\$ 653.1
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation and amortization	1,046.4	691.4
Share-based compensation expense	71.1	66.4
Deferred income tax benefit	(356.6)	(62.2)
Loss from equity method investments	85.5	77.5
Other non-cash items	226.1	206.2
Litigation settlements and other contingencies, net	558.6	19.1
Write off of financing fees	35.8	—
Losses on acquisition-related foreign currency derivatives	128.6	—
Changes in operating assets and liabilities:		
Accounts receivable	183.3	(54.3)
Inventories	(336.7)	(288.4)
Trade accounts payable	(45.0)	242.5
Income taxes	51.3	(178.5)
Other operating assets and liabilities, net	(13.2)	(16.3)
Net cash provided by operating activities	1,697.7	1,356.5
Cash flows from investing activities:		
Capital expenditures	(239.5)	(207.3)
Change in restricted cash	(50.5)	25.9
Purchase of marketable securities	(22.8)	(59.1)
Proceeds from sale of marketable securities	15.8	29.4
Cash paid for acquisitions, net	(6,151.7)	—
Cash paid for Meda's unconditional deferred payment	(308.0)	—
Settlement of acquisition-related foreign currency derivatives	(128.6)	—
Payments for product rights and other, net	(196.3)	(428.2)
Net cash used in investing activities	(7,081.6)	(639.3)
Cash flows from financing activities:		
Payments of financing fees	(95.3)	(114.7)
Change in short-term borrowings, net	48.6	(329.7)
Proceeds from convertible note hedge	—	1,970.8
Proceeds from issuance of long-term debt	6,519.8	2,390.0
Payments of long-term debt	(1,067.0)	(4,334.1)
Proceeds from exercise of stock options	11.1	92.8
Taxes paid related to net share settlement of equity awards	(12.9)	(31.7)
Contingent consideration payments	(15.5)	—
Acquisition of noncontrolling interest	(1.0)	(11.7)
Other items, net	1.6	49.6
Net cash provided by (used in) financing activities	5,389.4	(318.7)
Effect on cash of changes in exchange rates	15.1	(37.0)
Net increase in cash and cash equivalents	20.6	361.5
Cash and cash equivalents — beginning of period	1,236.0	225.5
Cash and cash equivalents — end of period	\$ 1,256.6	\$ 587.0
Supplemental disclosures of cash flow information —		
Non-cash transactions:		
Ordinary shares issued for acquisition	\$ 1,281.7	\$ 6,305.8

See Notes to Condensed Consolidated Financial Statements

MYLAN N.V. AND SUBSIDIARIES**Notes to Condensed Consolidated Financial Statements (Unaudited)****1. General**

The accompanying unaudited Condensed Consolidated Financial Statements (“interim financial statements”) of Mylan N.V. and subsidiaries (“Mylan” or the “Company”) were prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”) and the rules and regulations of the U.S. Securities and Exchange Commission (the “SEC”) for reporting on Form 10-Q; therefore, as permitted under these rules, certain footnotes and other financial information included in audited financial statements were condensed or omitted. The interim financial statements contain all adjustments (consisting of only normal recurring adjustments) necessary to present fairly the interim results of operations, comprehensive earnings, financial position and cash flows for the periods presented. For periods prior to February 27, 2015, the Company’s interim financial statements present the accounts of Mylan Inc. and subsidiaries.

These interim financial statements should be read in conjunction with the Consolidated Financial Statements and Notes thereto in Mylan N.V.’s Annual Report on Form 10-K for the year ended December 31, 2015, as amended. The December 31, 2015 Condensed Consolidated Balance Sheet was derived from audited financial statements.

The interim results of operations and comprehensive earnings for the three and nine months ended September 30, 2016 and cash flows for the nine months ended September 30, 2016 are not necessarily indicative of the results to be expected for the full fiscal year or any other future period.

2. Revenue Recognition and Accounts Receivable

The Company recognizes net sales when title and risk of loss pass to its customers and when provisions for estimates, including discounts, sales allowances, price adjustments, returns, chargebacks and other promotional programs are reasonably determinable. Accounts receivable are presented net of allowances relating to these provisions. No significant revisions were made to the methodology used in determining these provisions during the nine months ended September 30, 2016. Such allowances were \$1.83 billion and \$1.84 billion at September 30, 2016 and December 31, 2015, respectively. Other current liabilities include \$824.1 million and \$681.8 million at September 30, 2016 and December 31, 2015, respectively, for certain sales allowances and other adjustments that are paid to customers.

Through its wholly owned subsidiary Mylan Pharmaceuticals Inc. (“MPI”), the Company has access to a \$400 million accounts receivable securitization facility (the “Receivables Facility”). The receivables underlying any borrowings are included in accounts receivable, net, in the Condensed Consolidated Balance Sheets. There were \$759.3 million and \$914.2 million of securitized accounts receivable at September 30, 2016 and December 31, 2015, respectively.

3. Recent Accounting Pronouncements

In October 2016, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update 2016-16, *Income Taxes (Topic 740)* (“ASU 2016-16”), which reduces the complexity in the accounting standards by allowing the recognition of current and deferred income taxes for an intra-entity asset transfer, other than inventory, when the transfer occurs. This guidance is effective for fiscal years beginning after December 15, 2017, and interim periods within those fiscal years, with early adoption permitted using a modified retrospective transition approach. The Company is currently assessing the impact of the adoption of this guidance on its consolidated financial statements and disclosures.

In August 2016, the FASB issued Accounting Standards Update 2016-15, *Statement of Cash Flows (Topic 230)* (“ASU 2016-15”), which clarifies how certain cash receipts and cash payments should be presented in the Statement of Cash Flows. This guidance is effective for fiscal years beginning after December 15, 2017, and interim periods within those fiscal years, with early adoption permitted using a retrospective transition approach. The Company is currently assessing the impact of the adoption of this guidance on its Statement of Cash Flows.

In March 2016, the FASB issued Accounting Standards Update 2016-09, *Compensation - Stock Compensation (Topic 718)* (“ASU 2016-09”), which simplifies the accounting for share-based compensation payments. The new standard requires all excess tax benefits and tax deficiencies (including tax benefits of dividends on share-based payment awards) to be recognized as income tax expense or benefit on the income statement. The tax effects of exercised or vested awards should be treated as discrete items in the reporting period in which they occur. This guidance is effective for fiscal years, and interim periods within

Notes to Condensed Consolidated Financial Statements (Unaudited) - Continued

those years, beginning after December 15, 2016, with early adoption permitted. The Company is currently assessing the impact of the adoption of this guidance on its consolidated financial statements and disclosures.

In February 2016, the FASB issued Accounting Standards Update 2016-02, *Leases (Topic 840)* (“ASU 2016-02”), which provides principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. The new standard requires lessees to apply a dual approach, classifying leases as either finance or operating leases based on the principle of whether or not the lease is effectively a financed purchase by the lessee. This classification will determine whether lease expense is recognized based on an effective interest method or on a straight-line basis over the term of the lease. A lessee is also required to record a right-of-use asset and a lease liability for all leases with a term of greater than twelve months regardless of classification. Leases with a term of twelve months or less will be accounted for similar to existing guidance for operating leases. This guidance is effective for annual and interim periods beginning after December 15, 2018, with early adoption permitted. The Company is currently assessing the impact of the adoption of this guidance on its consolidated financial statements and disclosures.

In January 2016, the FASB issued Accounting Standards Update 2016-01, *Recognition and Measurement of Financial Assets and Financial Liabilities* (“ASU 2016-01”), which requires that most equity investments be measured at fair value, with subsequent changes in fair value recognized in net income (other than those accounted for under equity method of accounting). The amendments in this update also require an entity to present separately in other comprehensive earnings the portion of the total change in the fair value of a liability resulting from a change in the instrument-specific credit risk when the entity has elected to measure the liability at fair value in accordance with the fair value option for financial instruments. ASU 2016-01 also impacts financial liabilities under the fair value option and the presentation and disclosure requirements for financial instruments. This guidance is effective for fiscal years, and interim periods within those years, beginning after December 15, 2017. The Company is currently assessing the impact of the adoption of this guidance on its consolidated financial statements and disclosures.

In May 2014, the FASB issued Accounting Standards Update 2014-09, *Revenue from Contracts with Customers* (“ASU 2014-09” updated with “ASU 2015-14”, “ASU 2016-08”, “ASU 2016-10” and “ASU 2016-12”), which revises accounting guidance on revenue recognition that will supersede nearly all existing revenue recognition guidance under U.S. GAAP. The core principal of this guidance is that an entity should recognize revenue when it transfers promised goods or services to customers in an amount that reflects the consideration which the entity expects to receive in exchange for those goods or services. This guidance also requires additional disclosure about the nature, amount, timing and uncertainty of revenue and cash flows arising from customer contracts, including significant judgments and changes in judgments and assets recognized from costs incurred to obtain or fulfill a contract. This guidance is effective for fiscal years beginning after December 15, 2017, and for interim periods within those fiscal years, and can be applied using a full retrospective or modified retrospective approach. The Company is currently assessing the impact of the adoption of this guidance on its consolidated financial statements and disclosures.

4. Acquisitions and Other Transactions

Meda AB

On February 10, 2016, the Company issued an offer announcement under the Nasdaq Stockholm’s Takeover Rules and the Swedish Takeover Act (collectively, the “Swedish Takeover Rules”) setting forth a public offer to the shareholders of Meda AB (publ.) (“Meda”) to acquire all of the outstanding shares of Meda (the “Offer”), with an enterprise value, including the net debt of Meda, of approximately Swedish kronor (“SEK” or “kr”) 83.6 billion (based on a SEK/USD exchange rate of 8.4158) or \$9.9 billion at announcement. On August 2, 2016, the Company announced that the Offer was accepted by Meda shareholders holding an aggregate of approximately 343 million shares, representing approximately 94% of the total number of outstanding Meda shares, as of July 29, 2016, and the Company declared the Offer unconditional. On August 5, 2016, settlement occurred with respect to the Meda shares duly tendered by July 29, 2016 and, as a result, Meda is now a controlled subsidiary of the Company. Pursuant to the terms of the Offer, each Meda shareholder that duly tendered Meda shares into the Offer received at settlement (1) in respect of 80% of the number of Meda shares tendered by such shareholder, 165kr in cash per Meda share, and (2) in respect of the remaining 20% of the number of Meda shares tendered by such shareholder, 0.386 of the Company’s ordinary shares per Meda share (subject to treatment of fractional shares as described in the offer document published on June 16, 2016). The non-tendered shares will be acquired for cash through a compulsory acquisition proceeding, in accordance with the Swedish Companies Act (Sw. aktiebolagslagen (2005:551)), with advance title to such non-tendered shares expected to be acquired within six to twelve months of the acquisition date. The compulsory acquisition proceeding price will accrue interest as required by the Swedish Companies Act. Meda’s shares were delisted from the Nasdaq Stockholm

MYLAN N.V. AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements (Unaudited) - Continued

exchange on August 23, 2016. On November 1, 2016, the Company made an offer to the remaining Meda shareholders to tender all their Meda shares for cash consideration of 161.31kr per Meda share (the "November Offer") to provide such remaining shareholders with an opportunity to sell their shares in Meda to the Company in advance of the automatic acquisition of their shares for cash in connection with the compulsory acquisition proceeding. The acceptance period for the November Offer expires on November 23, 2016 and settlement is expected to occur on or around November 30, 2016. Meda shareholders who tender their shares in the November Offer will not have the right to withdraw their acceptances, and there are no conditions to the completion of the November Offer. Any Meda shareholders that do not accept the November Offer will automatically receive all-cash consideration plus statutory interest for their Meda shares as determined in the compulsory acquisition proceeding. The November Offer is not being made, nor will any tender of shares be accepted from or on behalf of holders in, any jurisdiction in which the making of the November Offer or the acceptance of any tender of shares would contravene applicable laws or regulations or require any offer documents, filings or other measures. In connection with either the November Offer or the compulsory acquisition proceeding, it has been assumed that the fair value of the non-tendered shares would be approximately 161kr per share at settlement.

The total purchase price was approximately \$6.92 billion, net of cash acquired, which includes cash consideration paid of approximately \$5.3 billion, the issuance of approximately 26.4 million Mylan N.V. ordinary shares at a fair value of approximately \$1.3 billion based on the closing price of the Company's ordinary shares on August 5, 2016, as reported by the NASDAQ Global Select Stock Market (the "NASDAQ") and an assumed liability of approximately \$431.0 million related to the November Offer and the compulsory acquisition proceeding of the non-tendered Meda shares, which is classified as a current liability on the Condensed Consolidated Balance Sheet. In accordance with U.S. GAAP, the Company used the acquisition method of accounting to account for this transaction. Under the acquisition method of accounting, the assets acquired and liabilities assumed in the transaction have been recorded at their respective estimated fair values at the acquisition date. Acquisition related costs of approximately \$65.8 million and \$212.5 million were incurred during the three and nine months ended September 30, 2016, respectively, which were recorded as components of research and development expense ("R&D"), selling, general and administrative expense ("SG&A"), interest expense and other expense, net in the Condensed Consolidated Statements of Operations. For the three and nine months ended September 30, 2016, these costs include approximately \$44.4 million and \$128.6 million, respectively, of losses on non-designated foreign currency forward and option contracts entered into in order to economically hedge the SEK purchase price of the Offer (explained further in Note 11 *Financial Instruments and Risk Management*). For the nine months ended September 30, 2016 acquisition related costs include approximately \$45.2 million of financing fees related to the terminated 2016 Bridge Credit Agreement (explained further in Note 12 *Debt*).

The preliminary allocation of the \$6.92 billion purchase price to the assets acquired and liabilities assumed for Meda is as follows:

(In millions)

Current assets (excluding inventories and net of cash acquired)	\$ 470.2
Inventories	465.7
Property, plant and equipment	177.5
Identified intangible assets	8,060.7
Goodwill	3,677.6
Other assets	9.3
Total assets acquired	12,861.0
Current liabilities	(1,088.4)
Long-term debt, including current portion	(2,864.6)
Deferred tax liabilities	(1,628.1)
Pension and other postretirement benefits	(322.3)
Other noncurrent liabilities	(36.5)
Net assets acquired	\$ 6,921.1

The preliminary fair value estimates for the assets acquired and liabilities assumed were based upon preliminary calculations, valuations and assumptions that are subject to change as the Company obtains additional information during the

MYLAN N.V. AND SUBSIDIARIES**Notes to Condensed Consolidated Financial Statements (Unaudited) - Continued**

measurement period (up to one year from the acquisition date). The primary areas subject to change relate to the finalization of the working capital components, the valuation of intangible assets and income taxes.

The acquisition of Meda creates a more diversified and expansive portfolio of branded and generic medicines along with a strong and growing portfolio of over-the-counter (“OTC”) products. The combined company has a balanced global footprint with significant scale in key geographic markets, particularly the U.S. and Europe. The acquisition of Meda also provides Mylan with entry into a number of new and attractive emerging markets, including China, Southeast Asia, Russia, the Middle East and Mexico, complemented by Mylan’s presence in India, Brazil and Africa. The Company recorded a step-up in the fair value of inventory of approximately \$107 million. During the three and nine months ended September 30, 2016, the Company recorded amortization of the inventory step-up of approximately \$42.8 million, which is included in cost of sales in the Condensed Consolidated Statements of Operations.

The identified intangible assets of \$8.06 billion are comprised of product rights and licenses that have a weighted average useful life of 20 years. Significant assumptions utilized in the valuation of identified intangible assets were based on company specific information and projections which are not observable in the market and are thus considered Level 3 measurements as defined by U.S. GAAP. The goodwill of \$3.68 billion arising from the acquisition consisted largely of the value of the employee workforce and the expected value of products to be developed in the future. The newly acquired operations have been included in the Generics segment for the three and nine months ended September 30, 2016. In addition, all of the goodwill was assigned to the Generics segment. None of the goodwill recognized in this transaction is currently expected to be deductible for income tax purposes.

The settlement of the Offer constituted an Acceleration Event (as defined in the Rottapharm Agreement referred to below) under the Sale and Purchase Agreement, dated as of July 30, 2014 (the “Rottapharm Agreement”), among Fidim S.r.l., Meda Pharma S.p.A and Meda, the occurrence of which accelerated an unconditional deferred purchase price payment of approximately \$308 million (€275 million) relating to Meda’s acquisition of Rottapharm S.p.A. which otherwise would have been payable in January 2017. The amount was paid as of September 30, 2016.

The operating results of Meda have been included in the Company’s Condensed Consolidated Statements of Operations since the acquisition date. The total revenues of Meda for the period from the acquisition date to September 30, 2016, were \$331.1 million and net loss, net of tax, was \$260.6 million. The net loss, net of tax, includes the effects of the purchase accounting adjustments and acquisition related costs.

Renaissance Topicals Business

On June 15, 2016, the Company completed the acquisition of the non-sterile, topicals-focused business (the “Topicals Business”) of Renaissance Acquisition Holdings, LLC (“Renaissance”) for approximately \$1.0 billion in cash at closing, including amounts deposited into escrow for potential contingent payments, subject to customary adjustments. The Topicals Business provides the Company with a complementary portfolio of approximately 25 products, an active pipeline of approximately 25 products, and an established U.S. sales and marketing infrastructure targeting dermatologists. The Topicals Business also provides an integrated manufacturing and development platform. In accordance with U.S. GAAP, the Company used the acquisition method of accounting to account for this transaction. Under the acquisition method of accounting, the assets acquired and liabilities assumed in the transaction were recorded at their respective estimated fair values at the acquisition date. The U.S. GAAP purchase price was \$972.7 million, which includes estimated contingent consideration of approximately \$16 million related to the potential \$50 million payment contingent on the achievement of certain 2016 financial targets. The \$50 million contingent payment has been paid into escrow. The preliminary allocation of the \$972.7 million purchase price to the assets acquired and liabilities assumed for the Topicals Business is as follows:

MYLAN N.V. AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements (Unaudited) - Continued

<i>(In millions)</i>	
Current assets (excluding inventories)	\$ 68.8
Inventories	74.2
Property, plant and equipment	54.8
Identified intangible assets	467.0
In-process research and development	275.0
Goodwill	307.3
Other assets	0.9
Total assets acquired	1,248.0
Current liabilities	(65.0)
Deferred tax liabilities	(203.6)
Other noncurrent liabilities	(6.7)
Net assets acquired	\$ 972.7

The preliminary fair value estimates for the assets acquired and liabilities assumed were based upon preliminary calculations, valuations and assumptions that are subject to change as the Company obtains additional information during the measurement period (up to one year from the acquisition date). The primary areas subject to change relate to the finalization of the working capital adjustment and income taxes.

The acquisition of the Topicals Business broadened the Company's dermatological portfolio. The amount allocated to in-process research and development ("IPR&D") represents an estimate of the fair value of purchased in-process technology for research projects that, as of the closing date of the acquisition, had not reached technological feasibility and had no alternative future use. The fair value of IPR&D of \$275.0 million was based on the excess earnings method, which utilizes forecasts of expected cash inflows (including estimates for ongoing costs) and other contributory charges. A discount rate of 12.5% was utilized to discount net cash inflows to present values. IPR&D is accounted for as an indefinite-lived intangible asset and will be subject to impairment testing until completion or abandonment of the projects. Upon successful completion and launch of each product, the Company will make a determination of the estimated useful life of the individual asset. The acquired IPR&D projects are in various stages of completion and the estimated costs to complete these projects total approximately \$65 million, which is expected to be incurred through 2018. There are risks and uncertainties associated with the timely and successful completion of the projects included in IPR&D, and no assurances can be given that the underlying assumptions used to estimate the fair value of IPR&D will not change or the timely completion of each project to commercial success will occur.

The identified intangible assets of \$467.0 million are comprised of \$454.0 million of product rights and licenses that have a weighted average useful life 14 years and \$13.0 million of contract manufacturing agreements that have a weighted average useful life of five years. Significant assumptions utilized in the valuation of identified intangible assets were based on company specific information and projections which are not observable in the market and are thus considered Level 3 measurements as defined by U.S. GAAP.

The goodwill of \$307.3 million arising from the acquisition consisted largely of the value of the employee workforce and the expected value of products to be developed in the future. All of the goodwill was assigned to the Generics segment. None of the goodwill recognized in this transaction is currently expected to be deductible for income tax purposes. Acquisition related costs of approximately \$3.6 million were incurred during the nine months ended September 30, 2016 related to this transaction, which were recorded as a component of SG&A in the Condensed Consolidated Statements of Operations. The acquisition did not have a material impact on the Company's results of operations since the acquisition date or on a pro forma basis for the three and nine month periods ended September 30, 2016 and 2015.

Jai Pharma Limited

On November 20, 2015, the Company completed the acquisition of certain female healthcare businesses from Famy Care Limited (such businesses "Jai Pharma Limited"). Jai Pharma Limited is a specialty women's healthcare company with global leadership in generic oral contraceptive products, through its wholly owned subsidiary Mylan Laboratories Limited for

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Notes to Condensed Consolidated Financial Statements (Unaudited) - Continued

a cash payment of \$750 million plus additional contingent payments of up to \$50 million for the filing for approval with, and receipt of approval from, the U.S. Food and Drug Administration of a product under development by Jai Pharma Limited.

In accordance with U.S. GAAP, the Company used the acquisition method of accounting to account for this transaction. Under the acquisition method of accounting, the assets acquired and liabilities assumed in the transaction were recorded at their respective estimated fair values at the acquisition date. The U.S. GAAP purchase price was \$711.1 million, which excludes the \$50 million paid into escrow at closing that is contingent upon at least one of two former principal shareholders of Jai Pharma Limited continuing to provide consulting services to Jai Pharma Limited for the two year post-closing period, which amount is being treated as compensation expense over the service period. The U.S. GAAP purchase price also excludes \$7 million of working capital and other adjustments and includes estimated contingent consideration of approximately \$18 million related to the \$50 million contingent payment. During the nine months ended September 30, 2016, adjustments were made to the preliminary purchase price allocation recorded at November 20, 2015. The adjustments recorded in respect of goodwill, current liabilities and deferred tax liabilities are reflected in the “measurement period adjustments” column of the table below. As of September 30, 2016, the preliminary allocation of the \$711.1 million purchase price to the assets acquired and liabilities assumed for Jai Pharma Limited is as follows:

<i>(In millions)</i>	Preliminary Purchase Price Allocation as of November 20, 2015 ^(a)	Measurement Period Adjustments ^(b)	Preliminary Purchase Price Allocation as of September 30, 2016 (as adjusted)
Current assets (excluding inventories)	\$ 25.7	\$ —	\$ 25.7
Inventories	4.9	—	4.9
Property, plant and equipment	17.2	—	17.2
Identified intangible assets	437.0	—	437.0
In-process research and development	98.0	—	98.0
Goodwill	317.2	8.1	325.3
Other assets	0.7	—	0.7
Total assets acquired	900.7	8.1	908.8
Current liabilities	(9.1)	(1.9)	(11.0)
Deferred tax liabilities	(180.5)	(6.2)	(186.7)
Net assets acquired	\$ 711.1	\$ —	\$ 711.1

^(a) As previously reported in the Company’s Annual Report on Form 10-K for the year ended December 31, 2015, as amended.

^(b) The measurement period adjustments were recorded in the first quarter of 2016 and are related to the recognition of certain goodwill, current liabilities and adjustments to deferred tax liabilities to reflect facts and circumstances that existed as of the acquisition date.

The goodwill of \$325.3 million arising from the acquisition consisted largely of the value of the employee workforce and the expected value of products to be developed in the future. All of the goodwill was assigned to the Generics segment. The preliminary fair value estimates for the assets acquired and liabilities assumed were based upon preliminary calculations, valuations and assumptions that are subject to change as the Company obtains additional information during the measurement period (up to one year from the acquisition date). The primary areas subject to change relate to the finalization of the working capital adjustment and income taxes, which will be finalized in the fourth quarter of 2016. During the three months ended September 30, 2016, the Company received approvals from the relevant Indian regulatory authorities to legally merge its wholly owned subsidiary, Jai Pharma Limited, into Mylan Laboratories Limited. The merger resulted in the recognition of a deferred tax asset of \$150 million for the tax deductible goodwill in excess of the book goodwill with a corresponding benefit to income tax provision for the three and nine months ended September 30, 2016. On a pro forma basis, the acquisition did not have a material impact on the Company’s results of operations for the three and nine months ended September 30, 2015.

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Notes to Condensed Consolidated Financial Statements (Unaudited) - Continued

EPD Business

On February 27, 2015 (the “EPD Transaction Closing Date”), the Company completed the acquisition (the “EPD Transaction”) of Mylan Inc. and Abbott Laboratories’ non-U.S. developed markets specialty and branded generics business (the “EPD Business”) in an all-stock transaction. Mylan N.V.’s purchase price for the EPD Business, which was on a debt-free basis, was \$6.31 billion based on the closing price of Mylan Inc.’s stock as of the EPD Transaction Closing Date, as reported by the NASDAQ.

The operating results of the EPD Business have been included in the Company’s Condensed Consolidated Statements of Operations since February 27, 2015. The total revenues of the acquired EPD Business for the period from the acquisition date to September 30, 2015 were \$1.01 billion and the net loss, net of tax, was \$68.6 million. The net loss, net of tax, includes the effects of the purchase accounting adjustments and acquisition related costs.

Unaudited Pro Forma Financial Results

The following table presents supplemental unaudited pro forma information for the acquisitions of Meda, as if it had occurred on January 1, 2015, and the EPD Business, as if it had occurred on January 1, 2014. The unaudited pro forma results reflect certain adjustments related to past operating performance and acquisition accounting adjustments, such as increased amortization expense based on the fair value of assets acquired, the impact of transaction costs and the related income tax effects. The unaudited pro forma results do not include any anticipated synergies which may be achievable, or have been achieved, subsequent to the closing of the Meda transaction and EPD Transaction. Accordingly, the unaudited pro forma results are not necessarily indicative of the results that actually would have occurred had the acquisitions been completed on the stated dates above, nor are they indicative of the future operating results of Mylan N.V. and its subsidiaries.

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2016	2015	2016	2015
<i>(Unaudited, in millions, except per share amounts)</i>				
Total revenues	\$ 3,168.6	\$ 3,506.4	\$ 9,008.2	\$ 8,895.0
Net (loss) earnings attributable to Mylan N.V. ordinary shareholders	\$ (111.4)	\$ 381.2	\$ 132.0	\$ 405.8
(Loss) earnings per ordinary share attributable to Mylan N.V. ordinary shareholders:				
Basic	\$ (0.21)	\$ 0.74	\$ 0.25	\$ 0.78
Diluted	\$ (0.21)	\$ 0.71	\$ 0.25	\$ 0.75
Weighted average ordinary shares outstanding:				
Basic	533.9	516.9	526.9	517.0
Diluted	533.9	540.4	536.2	544.0

Other Transactions

During the second quarter of 2016, the Company entered into an agreement to acquire a marketed pharmaceutical product for an upfront payment of approximately \$57.9 million, which is included in investing activities in the Condensed Consolidated Statements of Cash Flows. The Company accounted for this transaction as an asset acquisition and is amortizing the product right over a weighted useful life of five years.

On January 8, 2016, the Company entered into an agreement with Momenta Pharmaceuticals, Inc. (“Momenta”) to develop, manufacture and commercialize up to six of Momenta’s current biosimilar candidates, including Momenta’s biosimilar candidate, ORENCIA® (abatacept). As part of the agreement, Mylan made an up-front cash payment of \$45 million to Momenta. Under the terms of the agreement, Momenta is eligible to receive additional contingent milestone payments of up to \$200 million. The Company and Momenta will jointly be responsible for product development and will equally share in the costs and profits related to the products. Under the agreement, Mylan will lead the worldwide commercialization efforts.

On November 2, 2016, the Company and Momenta announced that dosing had begun in a Phase 1 study to compare the pharmacokinetics, safety and immunogenicity of M834, a proposed bisoimilar or ORENCIA® (abatacept), to U.S. and

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Notes to Condensed Consolidated Financial Statements (Unaudited) - Continued

European Union sourced ORENCIA® in normal healthy volunteers. Under the agreement, Momenta has achieved the milestone necessary to earn a \$25 million payment from the Company which will be paid in the fourth quarter of 2016.

In accordance with ASC 730, *Research and Development*, the Company is accounting for the contingent milestone payments as non-refundable advance payments for services to be used in future R&D activities, which are required to be capitalized until the related services have been performed. More specifically, as costs are incurred within the scope of the collaboration, the Company will record its share of the costs as R&D expense. In addition to the upfront cash payment, during the three and nine months ended September 30, 2016 the Company incurred approximately \$9.0 million and \$22.3 million, respectively, of R&D expense related to this collaboration. To the extent the contingent milestone payments made by the Company exceed the liability incurred, a prepaid asset will be reflected on the Company's Condensed Consolidated Balance Sheet. To the extent the contingent milestone payments made by the Company are less than the expense incurred, the difference between the payment and the expense will be recorded as a liability on the Company's Condensed Consolidated Balance Sheet.

5. Share-Based Incentive Plan

The Company's shareholders have approved the *2003 Long-Term Incentive Plan* (as amended, the "2003 Plan"). Under the 2003 Plan, 55,300,000 ordinary shares are reserved for issuance to key employees, consultants, independent contractors and non-employee directors of the Company through a variety of incentive awards, including: stock options, stock appreciation rights ("SAR"), restricted shares and units, performance awards, other stock-based awards and short-term cash awards. Stock option awards are granted at the fair market value of the shares underlying the options at the date of the grant, generally become exercisable over periods ranging from three to four years, and generally expire in ten years. Upon approval of the 2003 Plan, no further grants of stock options have been made under any other previous plans.

The following table summarizes stock option and SAR ("stock awards") activity:

	Number of Shares Under Stock Awards	Weighted Average Exercise Price per Share
Outstanding at December 31, 2015	7,732,499	\$ 31.85
Granted	780,254	46.15
Exercised	(496,440)	23.52
Forfeited	(166,571)	51.26
Outstanding at September 30, 2016	<u>7,849,742</u>	\$ 33.39
Vested and expected to vest at September 30, 2016	7,537,727	\$ 32.78
Exercisable at September 30, 2016	5,704,835	\$ 27.71

As of September 30, 2016, stock awards outstanding, stock awards vested and expected to vest and stock awards exercisable had average remaining contractual terms of 6.0 years, 5.9 years and 5.0 years, respectively. Also, at September 30, 2016, stock awards outstanding, stock awards vested and expected to vest and stock awards exercisable had aggregate intrinsic values of \$75.9 million, \$75.7 million and \$75.0 million, respectively.

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Notes to Condensed Consolidated Financial Statements (Unaudited) - Continued

A summary of the status of the Company's nonvested restricted stock and restricted stock unit awards, including performance restricted stock units and restricted ordinary shares (collectively, "restricted stock awards"), as of September 30, 2016 and the changes during the nine months ended September 30, 2016 are presented below:

	Number of Restricted Stock Awards	Weighted Average Grant-Date Fair Value per Share
Nonvested at December 31, 2015	4,474,436	\$ 40.70
Granted	2,619,679	45.15
Released	(1,072,156)	41.95
Forfeited	(326,916)	41.65
Nonvested at September 30, 2016	<u>5,695,043</u>	<u>\$ 42.49</u>

As of September 30, 2016, the Company had \$165.0 million of total unrecognized compensation expense, net of estimated forfeitures, related to all of its stock-based awards, which will be recognized over the remaining weighted average vesting period of 2.4 years. The total intrinsic value of stock awards exercised and restricted stock units released during the nine months ended September 30, 2016 and 2015 was \$49.1 million and \$254.9 million, respectively.

6. Pensions and Other Postretirement Benefits
Defined Benefit Plans

The Company sponsors various defined benefit pension plans in several countries. Benefits provided generally depend on length of service, pay grade and remuneration levels. The Company maintains an historic small fully frozen defined benefit pension plan in the U.S., and employees in the U.S. and Puerto Rico are provided retirement benefits through defined contribution plans. The Company acquired net unfunded pension and other postretirement liabilities of approximately \$322.3 million as a result of the Meda transaction.

The Company also sponsors other postretirement benefit plans. There are plans that provide for postretirement supplemental medical coverage. Benefits from these plans are paid to employees and their spouses and dependents who meet various minimum age and service requirements. In addition, there are plans that provide for life insurance benefits and postretirement medical coverage for certain officers and management employees.

Net Periodic Benefit Cost

Components of net periodic benefit cost for the three and nine months ended September 30, 2016 and 2015 were as follows:

	Pension and Other Postretirement Benefits			
	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
<i>(In millions)</i>	2016	2015	2016	2015
Service cost	\$ 4.8	\$ 2.8	\$ 12.6	\$ 8.5
Interest cost	2.8	1.2	5.7	3.6
Expected return on plan assets	(3.0)	(1.4)	(7.0)	(4.1)
Plan curtailment, settlement and termination	—	0.3	—	0.8
Amortization of prior service costs	0.1	0.1	0.2	0.2
Recognized net actuarial losses	0.2	0.3	0.7	0.9
Net periodic benefit cost	<u>\$ 4.9</u>	<u>\$ 3.3</u>	<u>\$ 12.2</u>	<u>\$ 9.9</u>

The Company is making the minimum mandatory contributions to its U.S. defined benefit pension plans in the 2016 plan year. The Company expects to make total benefit payments of approximately \$20.2 million and contributions to pension and other postretirement benefit plans of approximately \$17.7 million in 2016.

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Notes to Condensed Consolidated Financial Statements (Unaudited) - Continued
7. Balance Sheet Components

Selected balance sheet components consist of the following:

<i>(In millions)</i>	September 30, 2016	December 31, 2015
Inventories:		
Raw materials	\$ 825.1	\$ 592.4
Work in process	469.8	387.0
Finished goods	1,392.6	971.6
	<u>\$ 2,687.5</u>	<u>\$ 1,951.0</u>
Property, plant and equipment:		
Land and improvements	\$ 145.0	\$ 124.5
Buildings and improvements	1,074.9	950.6
Machinery and equipment	2,215.6	1,928.4
Construction in progress	344.8	290.5
Gross property, plant and equipment	3,780.3	3,294.0
Accumulated depreciation	1,496.1	1,310.1
Property, plant and equipment, net	<u>\$ 2,284.2</u>	<u>\$ 1,983.9</u>
Other current liabilities:		
Legal and professional accruals, including litigation accruals	\$ 610.8	\$ 122.6
Payroll and employee benefit plan accruals	429.7	367.9
Accrued sales allowances	824.1	681.8
Accrued interest	114.3	25.1
Fair value of financial instruments	25.2	19.8
Compulsory acquisition proceeding	431.0	—
Other	1,210.7	624.7
	<u>\$ 3,645.8</u>	<u>\$ 1,841.9</u>

Included in prepaid expenses and other current assets in the Condensed Consolidated Balance Sheets was \$156.8 million and \$106.6 million of restricted cash at September 30, 2016 and December 31, 2015, respectively. During the nine months ended September 30, 2016, the Company recorded restricted cash of approximately \$50 million related to amounts deposited in escrow, for potential contingent consideration payments related to the acquisition of the Topicals Business. An additional \$100 million of restricted cash was classified in other long-term assets at December 31, 2015, principally related to amounts deposited in escrow, or restricted amounts, for potential contingent consideration payments related to the acquisition of Agila Specialties Private Limited (“Agila”), which the Company acquired in 2013 from Strides Arcolab Limited (“Strides”). At September 30, 2016, this amount was reclassified to current restricted cash in conjunction with the Strides Settlement, as defined in Note 18 *Contingencies*.

Included in legal and professional accruals, including litigation accruals at September 30, 2016 is \$465 million for a settlement with the U.S. Department of Justice and other government agencies related to the classification of the EpiPen® Auto-Injector and EpiPen Jr® Auto-Injector (collectively, “EpiPen® Auto-Injector”) for purposes of the Medicaid Drug Rebate Program (the “Medicaid Drug Rebate Program Settlement”), as discussed further in Note 18 *Contingencies*.

At the close of the Meda transaction and at September 30, 2016, the Company recorded a current liability of \$431 million related to the purchase of the non-tendered shares of Meda pursuant to the compulsory acquisition proceeding. Included in other current liabilities at September 30, 2016 is approximately \$350 million of accrued expenses assumed from Meda.

Contingent consideration included in other current liabilities totaled \$128.6 million and \$35.0 million at September 30, 2016 and December 31, 2015, respectively. During the nine months ended September 30, 2016, the Company recorded

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Notes to Condensed Consolidated Financial Statements (Unaudited) - Continued

contingent consideration of \$16 million in other current liabilities related to the acquisition of the Topicals Business and made \$15.5 million of contingent consideration payments. During the third quarter of 2016, the Company recorded approximately \$90 million of additional contingent consideration in other current liabilities as a result of the Strides Settlement, as defined in Note 18 *Contingencies*. Contingent consideration included in other long-term obligations was \$522.9 million and \$491.4 million at September 30, 2016 and December 31, 2015, respectively.

8. Equity Method Investments

The Company has five equity method investments in limited liability companies that own refined coal production plants (the “clean energy investments”), whose activities qualify for income tax credits under Section 45 of the Internal Revenue Code, as amended. In addition, the Company holds a 50% interest in Sagent Agila LLC (“Sagent Agila”), which is accounted for using the equity method of accounting. Sagent Agila was established to allow for the development, manufacturing and distribution of certain generic injectable products in the U.S. market.

The carrying values and respective balance sheet accounts of the Company’s clean energy investments and interest in Sagent Agila is as follows at September 30, 2016 and December 31, 2015, respectively:

<i>(In millions)</i>	<u>September 30, 2016</u>	<u>December 31, 2015</u>
Clean Energy Investments:		
Other assets	\$ 337.6	\$ 379.3
Total liabilities	382.0	419.3
Other current liabilities	64.1	62.3
Other long-term obligations	317.9	357.0
Sagent Agila:		
Other assets	\$ 80.0	\$ 96.2

Summarized financial information, in the aggregate, for the Company’s significant equity method investments on a 100% basis for the three and nine months ended September 30, 2016 and 2015 are as follows:

<i>(In millions)</i>	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Total revenues	\$ 170.0	\$ 205.7	\$ 418.2	\$ 492.2
Gross (loss) profit	(3.0)	(3.5)	(3.8)	(4.0)
Operating and non-operating expense	6.3	6.9	16.3	18.7
Net loss	<u>\$ (9.3)</u>	<u>\$ (10.4)</u>	<u>\$ (20.1)</u>	<u>\$ (22.7)</u>

The Company’s net losses from the six equity method investments includes amortization expense related to the excess of the cost basis of the Company’s investment to the underlying assets of each individual investee. For the three months ended September 30, 2016 and 2015, the Company recognized net losses from equity method investments of \$29.7 million and \$27.8 million, respectively. For the nine months ended September 30, 2016 and 2015, the Company recognized net losses from equity method investments of \$85.5 million and \$77.5 million, respectively, which was recognized as a component of other expense, net in the Condensed Consolidated Statements of Operations. The Company recognizes the income tax credits and benefits from the clean energy investments as part of its provision for income taxes.

9. Earnings per Ordinary Share Attributable to Mylan N.V.

Basic earnings per ordinary share is computed by dividing net earnings attributable to Mylan N.V. ordinary shareholders by the weighted average number of ordinary shares outstanding during the period. Diluted earnings per ordinary share is computed by dividing net earnings attributable to Mylan N.V. ordinary shareholders by the weighted average number of ordinary shares outstanding during the period increased by the number of additional shares that would have been outstanding related to potentially dilutive securities or instruments, if the impact is dilutive.

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Notes to Condensed Consolidated Financial Statements (Unaudited) - Continued

On August 5, 2016, in conjunction with the Offer, the Company issued approximately 26.4 million Mylan N.V. ordinary shares to Meda shareholders. The impact of the issuance of these ordinary shares is included in the calculation of basic earnings per share. The weighted average impact for the three and nine months ended September 30, 2016, was 16.1 million and 5.4 million ordinary shares, respectively.

On September 15, 2008, concurrent with the sale of \$575 million aggregate principal amount of Cash Convertible Notes due 2015 (the "Cash Convertible Notes"), Mylan Inc. entered into convertible note hedge and warrant transactions with certain counterparties. In connection with the consummation of the EPD Transaction, the terms of the convertible note hedge were adjusted so that the cash settlement value would be based on Mylan N.V. ordinary shares. The terms of the warrant transactions were also adjusted so that, from and after the consummation of the EPD Transaction, the Company could settle the obligations under the warrant transactions by delivering Mylan N.V. ordinary shares. Pursuant to the warrant transactions, and a subsequent amendment in 2011, there were approximately 43.2 million warrants outstanding, with approximately 41.0 million of the warrants that had an exercise price of \$30.00. The remaining warrants had an exercise price of \$20.00. The warrants met the definition of derivatives under the FASB's guidance regarding accounting for derivative instruments and hedging activities; however, because these instruments were determined to be indexed to the Company's own ordinary shares and met the criteria for equity classification under the FASB's guidance regarding contracts in an entity's own equity, the warrants were recorded in shareholders' equity in the Condensed Consolidated Balance Sheets. On April 15, 2016, in connection with the expiration and settlement of the warrants, the Company issued approximately 17.0 million Mylan N.V. ordinary shares. The impact of the issuance of these ordinary shares is included in the calculation of basic earnings per share from the date of issuance. For the nine months ended September 30, 2016, 10.4 million ordinary shares is the weighted average impact included in the calculation of basic earnings per ordinary share. The dilutive impact of the warrants, prior to settlement, is included in the calculation of diluted earnings per ordinary share based upon the average market value of the Company's ordinary shares during the period as compared to the exercise price. For the nine months ended September 30, 2016, 6.6 million warrants were included in the calculation of diluted earnings per ordinary share. For the three and nine months ended September 30, 2015, 20.3 million and 22.1 million warrants, respectively, were included in the calculation of diluted earnings per ordinary share.

Basic and diluted (loss) earnings per ordinary share attributable to Mylan N.V. are calculated as follows:

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
<i>(In millions, except per share amounts)</i>	2016	2015	2016	2015
Basic (loss) earnings attributable to Mylan N.V. ordinary shareholders (numerator):				
Net (loss) earnings attributable to Mylan N.V. ordinary shareholders	\$ (119.8)	\$ 428.6	\$ 62.5	\$ 653.0
Shares (denominator):				
Weighted average ordinary shares outstanding	523.6	490.5	505.9	466.2
Basic (loss) earnings per ordinary share attributable to Mylan N.V. ordinary shareholders	\$ (0.23)	\$ 0.87	\$ 0.12	\$ 1.40
Diluted (loss) earnings attributable to Mylan N.V. ordinary shareholders (numerator):				
Net (loss) earnings attributable to Mylan N.V. ordinary shareholders	\$ (119.8)	\$ 428.6	\$ 62.5	\$ 653.0
Shares (denominator):				
Weighted average ordinary shares outstanding	523.6	490.5	505.9	466.2
Share-based awards and warrants	—	23.5	9.3	27.0
Total dilutive shares outstanding	523.6	514.0	515.2	493.2
Diluted (loss) earnings per ordinary share attributable to Mylan N.V. ordinary shareholders	\$ (0.23)	\$ 0.83	\$ 0.12	\$ 1.32

Additional stock awards and restricted stock awards were outstanding during the three and nine months ended September 30, 2016 and 2015, but were not included in the computation of diluted earnings per ordinary share for each respective period because the effect would be anti-dilutive. Excluded shares at September 30, 2016 include certain share-based compensation awards and restricted ordinary shares whose performance conditions had not been fully met. Such excluded

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Notes to Condensed Consolidated Financial Statements (Unaudited) - Continued

shares and anti-dilutive awards represented 13.9 million shares and 7.3 million shares for the three and nine months ended September 30, 2016, respectively, and 3.9 million shares for the three and nine months ended September 30, 2015.

10. Goodwill and Intangible Assets

The changes in the carrying amount of goodwill for the nine months ended September 30, 2016 are as follows:

<i>(In millions)</i>	Generics Segment	Specialty Segment	Total
Balance at December 31, 2015:			
Goodwill	\$ 5,031.0	\$ 734.1	\$ 5,765.1
Accumulated impairment losses	—	(385.0)	(385.0)
	5,031.0	349.1	5,380.1
Acquisitions ⁽¹⁾	3,984.9	—	3,984.9
Measurement period adjustments	8.1	—	8.1
Foreign currency translation	260.0	—	260.0
	<u>\$ 9,284.0</u>	<u>\$ 349.1</u>	<u>\$ 9,633.1</u>
Balance at September 30, 2016:			
Goodwill	\$ 9,284.0	\$ 734.1	\$ 10,018.1
Accumulated impairment losses	—	(385.0)	(385.0)
	<u>\$ 9,284.0</u>	<u>\$ 349.1</u>	<u>\$ 9,633.1</u>

⁽¹⁾ Includes goodwill related to the acquisition of Meda and the Topicals Business totaling \$3.68 billion and \$307.3 million, respectively.

Intangible assets consist of the following components at September 30, 2016 and December 31, 2015:

<i>(In millions)</i>	Weighted Average Life (Years)	Original Cost	Accumulated Amortization	Net Book Value
September 30, 2016				
Amortized intangible assets:				
Product rights and licenses	15	\$ 17,867.4	\$ 3,434.0	\$ 14,433.4
Patents and technologies	20	116.6	107.3	9.3
Other ⁽¹⁾	6	492.5	311.4	181.1
		18,476.5	3,852.7	14,623.8
In-process research and development		989.6	—	989.6
		<u>\$ 19,466.1</u>	<u>\$ 3,852.7</u>	<u>\$ 15,613.4</u>
December 31, 2015				
Amortized intangible assets:				
Product rights and licenses	11	\$ 8,848.6	\$ 2,652.7	\$ 6,195.9
Patents and technologies	20	116.6	103.8	12.8
Other ⁽¹⁾	6	465.3	189.8	275.5
		9,430.5	2,946.3	6,484.2
In-process research and development		737.7	—	737.7
		<u>\$ 10,168.2</u>	<u>\$ 2,946.3</u>	<u>\$ 7,221.9</u>

⁽¹⁾ Other intangible assets consist principally of customer lists, contractual rights and other contracts.

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Notes to Condensed Consolidated Financial Statements (Unaudited) - Continued

During the nine months ended September 30, 2016, the Company acquired product rights and licenses from Meda and the Topicals Business totaling approximately \$8.06 billion and \$454.0 million, respectively. Also, in the period the Company acquired IPR&D totaling approximately \$275.0 million from the acquisition of the Topicals Business, and reclassified approximately \$20.7 million of previously acquired IPR&D to product rights and licenses.

Amortization expense, which is classified primarily within cost of sales in the Condensed Consolidated Statements of Operations for the three and nine months ended September 30, 2016 and 2015 totaled:

<i>(In millions)</i>	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2016	2015	2016	2015
Amortization expense	\$ 364.3	\$ 214.3	\$ 852.9	\$ 559.8

Inclusive of the impact from the acquisitions of Meda and the Topicals Business, amortization expense over the remainder of 2016 and for years ended December 31, 2017 through 2020 is estimated to be as follows:

<i>(In millions)</i>	
2016	\$ 362
2017	1,307
2018	1,254
2019	1,161
2020	1,041

11. Financial Instruments and Risk Management

The Company is exposed to certain financial risks relating to its ongoing business operations. The primary financial risks that are managed by using derivative instruments are foreign currency risk and interest rate risk.

Foreign Currency Risk Management

In order to manage foreign currency risk, the Company enters into foreign exchange forward contracts to mitigate risk associated with changes in spot exchange rates of mainly non-functional currency denominated assets or liabilities. The foreign exchange forward contracts are measured at fair value and reported as current assets or current liabilities on the Condensed Consolidated Balance Sheets. Any gains or losses on the foreign exchange forward contracts are recognized in earnings in the period incurred in the Condensed Consolidated Statements of Operations.

In order to economically hedge the foreign currency exposure associated with the expected payment of the Swedish krona-denominated cash portion of the purchase price of the Offer, the Company entered into a series of non-designated foreign exchange forward and option contracts with a total notional amount of 45.2kr billion. During the three and nine months ended September 30, 2016, the Company recognized losses of \$44.4 million and \$128.6 million for the changes in fair value related to these contracts which is included in other expense, net in the Condensed Consolidated Statements of Operations. These contracts settled during the three months ended September 30, 2016.

The Company has also entered into forward contracts to hedge forecasted foreign currency denominated sales from certain international subsidiaries. These contracts are designated as cash flow hedges to manage foreign currency transaction risk and are measured at fair value and reported as current assets or current liabilities on the Condensed Consolidated Balance Sheets. Any changes in fair value are included in earnings or deferred through accumulated other comprehensive earnings ("AOCE"), depending on the nature and effectiveness of the offset. Any ineffectiveness in a cash flow hedging relationship is recognized immediately in earnings in the Condensed Consolidated Statements of Operations.

Following the acquisition of Meda, the Company designated certain Euro borrowings as a hedge of its investment in certain Euro-functional currency subsidiaries in order to manage foreign currency translation risk. The notional amount of the net investment hedges was €288 million and consists primarily of Euro denominated debt which has a maturity date in August 2017. Borrowings designated as net investment hedges are marked to market using the current spot exchange rate as of the end

MYLAN N.V. AND SUBSIDIARIES
Notes to Condensed Consolidated Financial Statements (Unaudited) - Continued

of the period, with gains and losses included in the foreign currency translation component of AOCE until the sale or substantial liquidation of the underlying net investments. The Company recorded no ineffectiveness from its net investment hedges for the three or nine months ended September 30, 2016.

Interest Rate Risk Management

The Company enters into interest rate swaps in order to manage interest rate risk associated with the Company's fixed-rate and floating-rate debt. These derivative instruments are measured at fair value and reported as current assets or current liabilities in the Condensed Consolidated Balance Sheets.

Cash Flow Hedging Relationships

The Company's interest rate swaps designated as cash flow hedges fix the interest rate on a portion of the Company's variable-rate debt or hedge part of the Company's interest rate exposure associated with variability in future cash flows attributable to changes in interest rates. Any changes in fair value are included in earnings or deferred through AOCE, depending on the nature and effectiveness of the offset. Any ineffectiveness in a cash flow hedging relationship is recognized immediately in earnings in the Condensed Consolidated Statements of Operations.

Following the acquisition of Meda, the Company designated certain interest rate swaps with a notional amount of €750 million as cash flow hedges. The maturity date of these swaps is June 2017.

In September 2015, the Company entered into a series of forward starting swaps to hedge against changes in interest rates related to future debt issuances. These swaps were designated as cash flow hedges of expected future issuances of long-term bonds. The Company executed \$500 million of notional value swaps with an effective date of June 2016 and an additional \$500 million of notional value swaps with an effective date of November 2016. Both sets of swaps had a maturity of 10 years. As discussed further in Note 12 *Debt*, during the second quarter of 2016, the Company issued \$2.25 billion in an aggregate principal amount of 3.950% Senior Notes due 2026 and the Company terminated these swaps. As a result of this termination, the Company recorded losses of \$64.9 million in AOCE, which are being amortized over the life of the 3.950% Senior Notes due 2026. In addition, during the second quarter of 2016, approximately \$2.1 million of hedge ineffectiveness related to these forward starting swaps was recorded in interest expense on the Condensed Consolidated Statements of Operations.

Fair Value Hedging Relationships

The Company's interest rate swaps designated as fair value hedges convert the fixed rate on a portion of the Company's fixed-rate senior notes to a variable rate. Any changes in the fair value of these derivative instruments, as well as the offsetting change in fair value of the portion of the fixed-rate debt being hedged, is included in interest expense.

The Company regularly reviews the creditworthiness of its financial counterparties and does not expect to incur a significant loss from the failure of any counterparties to perform under any agreements. The Company is not subject to any obligations to post collateral under derivative instrument contracts. Certain derivative instrument contracts entered into by the Company are governed by master agreements, which contain credit-risk-related contingent features that would allow the counterparties to terminate the contracts early and request immediate payment should the Company trigger an event of default on other specified borrowings. The Company records all derivative instruments on a gross basis in the Condensed Consolidated Balance Sheets. Accordingly, there are no offsetting amounts that net assets against liabilities.

The Effect of Derivative Instruments on the Condensed Consolidated Balance Sheets
Fair Values of Derivative Instruments
Derivatives Designated as Hedging Instruments

(In millions)	Asset Derivatives			
	September 30, 2016		December 31, 2015	
	Balance Sheet Location	Fair Value	Balance Sheet Location	Fair Value
Interest rate swaps	Prepaid expenses and other current assets	\$ 66.4	Prepaid expenses and other current assets	\$ 36.3
Foreign currency forward contracts	Prepaid expenses and other current assets	27.2	Prepaid expenses and other current assets	8.4
Total		\$ 93.6		\$ 44.7

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Notes to Condensed Consolidated Financial Statements (Unaudited) - Continued

<i>(In millions)</i>	Liability Derivatives			
	September 30, 2016		December 31, 2015	
	Balance Sheet Location	Fair Value	Balance Sheet Location	Fair Value
Interest rate swaps	Other current liabilities	\$ 1.7	Other current liabilities	\$ 10.5
Total		\$ 1.7		\$ 10.5

**The Effect of Derivative Instruments on the Condensed Consolidated Balance Sheets
Fair Values of Derivative Instruments
Derivatives Not Designated as Hedging Instruments**

<i>(In millions)</i>	Asset Derivatives			
	September 30, 2016		December 31, 2015	
	Balance Sheet Location	Fair Value	Balance Sheet Location	Fair Value
Foreign currency forward contracts	Prepaid expenses and other current assets	\$ 7.2	Prepaid expenses and other current assets	\$ 20.0
Total		\$ 7.2		\$ 20.0

<i>(In millions)</i>	Liability Derivatives			
	September 30, 2016		December 31, 2015	
	Balance Sheet Location	Fair Value	Balance Sheet Location	Fair Value
Foreign currency forward contracts	Other current liabilities	\$ 23.5	Other current liabilities	\$ 9.3
Total		\$ 23.5		\$ 9.3

**The Effect of Derivative Instruments on the Condensed Consolidated Statements of Operations
Derivatives in Fair Value Hedging Relationships**

<i>(In millions)</i>	Location of (Loss) Gain Recognized in Earnings on Derivatives	Amount of (Loss) Gain Recognized in Earnings on Derivatives			
		Three Months Ended		Nine Months Ended	
		September 30,		September 30,	
		2016	2015	2016	2015
Interest rate swaps	Interest expense	\$ (9.7)	\$ 29.5	\$ 30.2	\$ 34.1
Total		\$ (9.7)	\$ 29.5	\$ 30.2	\$ 34.1

<i>(In millions)</i>	Location of Gain (Loss) Recognized in Earnings on Hedged Items	Amount of Gain (Loss) Recognized in Earnings on Hedged Items			
		Three Months Ended		Nine Months Ended	
		September 30,		September 30,	
		2016	2015	2016	2015
2023 Senior Notes (3.125% coupon)	Interest expense	\$ 9.7	\$ (25.0)	\$ (30.2)	\$ (20.4)
Total		\$ 9.7	\$ (25.0)	\$ (30.2)	\$ (20.4)

MYLAN N.V. AND SUBSIDIARIES
Notes to Condensed Consolidated Financial Statements (Unaudited) - Continued
**The Effect of Derivative Instruments on the Condensed Consolidated Statements of Comprehensive Earnings
Derivatives in Cash Flow Hedging Relationships**

<i>(In millions)</i>	Amount of Gain (Loss) Recognized in AOCE (Net of Tax) on Derivative (Effective Portion)			
	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2016	2015	2016	2015
Foreign currency forward contracts	\$ 2.9	\$ (21.3)	\$ (16.3)	\$ (36.5)
Interest rate swaps	(0.9)	(40.3)	(38.0)	(37.0)
Total	\$ 2.0	\$ (61.6)	\$ (54.3)	\$ (73.5)

**The Effect of Derivative Instruments on the Condensed Consolidated Statements of Comprehensive Earnings
Derivatives in Net Investment Hedging Relationships**

<i>(In millions)</i>	Amount of Loss Recognized in AOCE (Net of Tax) on Derivative (Effective Portion)			
	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2016	2015	2016	2015
Foreign currency borrowings and forward contracts	\$ (8.1)	\$ —	\$ (8.1)	\$ —
Total	\$ (8.1)	\$ —	\$ (8.1)	\$ —

**The Effect of Derivative Instruments on the Condensed Consolidated Statements of Operations
Derivatives in Cash Flow Hedging Relationships**

<i>(In millions)</i>	Location of Loss Reclassified from AOCE into Earnings (Effective Portion)	Amount of Loss Reclassified from AOCE into Earnings (Effective Portion)			
		Three Months Ended		Nine Months Ended	
		September 30,		September 30,	
		2016	2015	2016	2015
Foreign currency forward contracts	Net sales	\$ (10.7)	\$ (8.1)	\$ (34.2)	\$ (30.4)
Interest rate swaps	Interest expense	(2.3)	(0.2)	(6.6)	(0.5)
Total		\$ (13.0)	\$ (8.3)	\$ (40.8)	\$ (30.9)

<i>(In millions)</i>	Location of Gain Excluded from the Assessment of Hedge Effectiveness	Amount of Gain Excluded from the Assessment of Hedge Effectiveness			
		Three Months Ended		Nine Months Ended	
		September 30,		September 30,	
		2016	2015	2016	2015
Foreign currency forward contracts	Other expense, net	\$ 8.9	\$ 11.7	\$ 26.0	\$ 35.1
Total		\$ 8.9	\$ 11.7	\$ 26.0	\$ 35.1

At September 30, 2016, the Company expects that approximately \$27.8 million of pre-tax net losses on cash flow hedges will be reclassified from AOCE into earnings during the next twelve months.

MYLAN N.V. AND SUBSIDIARIES
Notes to Condensed Consolidated Financial Statements (Unaudited) - Continued
**The Effect of Derivative Instruments on the Condensed Consolidated Statements of Operations
Derivatives Not Designated as Hedging Instruments**

<i>(In millions)</i>	Location of (Loss) Gain Recognized in Earnings on Derivatives	Amount of (Loss) Gain Recognized in Earnings on Derivatives			
		Three Months Ended		Nine Months Ended	
		September 30,		September 30,	
		2016	2015	2016	2015
Foreign currency option and forward contracts	Other expense, net	\$ (36.8)	\$ 22.2	\$ (98.3)	\$ 29.8
Cash conversion feature of Cash Convertible Notes	Other expense, net	—	1,689.3	—	1,853.5
Purchased cash convertible note hedge	Other expense, net	—	(1,689.3)	—	(1,853.5)
Total		<u>\$ (36.8)</u>	<u>\$ 22.2</u>	<u>\$ (98.3)</u>	<u>\$ 29.8</u>

Fair Value Measurement

Fair value is based on the price that would be received from the sale of an identical asset or paid to transfer an identical liability in an orderly transaction between market participants at the measurement date. In order to increase consistency and comparability in fair value measurements, a fair value hierarchy has been established that prioritizes observable and unobservable inputs used to measure fair value into three broad levels, which are described below:

- *Level 1:* Quoted prices (unadjusted) in active markets that are accessible at the measurement date for identical assets or liabilities. The fair value hierarchy gives the highest priority to Level 1 inputs.
- *Level 2:* Observable market-based inputs other than quoted prices in active markets for identical assets or liabilities.
- *Level 3:* Unobservable inputs are used when little or no market data is available. The fair value hierarchy gives the lowest priority to Level 3 inputs.

In determining fair value, the Company utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible, as well as considers counterparty credit risk in its assessment of fair value.

MYLAN N.V. AND SUBSIDIARIES
Notes to Condensed Consolidated Financial Statements (Unaudited) - Continued

Financial assets and liabilities carried at fair value are classified in the tables below in one of the three categories described above:

<i>(In millions)</i>	September 30, 2016			
	Level 1	Level 2	Level 3	Total
Recurring fair value measurements				
Financial Assets				
Cash equivalents:				
Money market funds	\$ 859.9	\$ —	\$ —	\$ 859.9
Total cash equivalents	859.9	—	—	859.9
Trading securities:				
Equity securities — exchange traded funds	28.7	—	—	28.7
Total trading securities	28.7	—	—	28.7
Available-for-sale fixed income investments:				
U.S. Treasuries	—	6.5	—	6.5
Corporate bonds	—	17.6	—	17.6
Agency mortgage-backed securities	—	4.5	—	4.5
Asset backed securities	—	1.5	—	1.5
Other	—	3.9	—	3.9
Total available-for-sale fixed income investments	—	34.0	—	34.0
Available-for-sale equity securities:				
Marketable securities	57.6	—	—	57.6
Total available-for-sale equity securities	57.6	—	—	57.6
Foreign exchange derivative assets	—	34.4	—	34.4
Interest rate swap derivative assets	—	66.4	—	66.4
Total assets at recurring fair value measurement	<u>\$ 946.2</u>	<u>\$ 134.8</u>	<u>\$ —</u>	<u>\$ 1,081.0</u>
Financial Liabilities				
Foreign exchange derivative liabilities	\$ —	\$ 23.5	\$ —	\$ 23.5
Interest rate swap derivative liabilities	—	1.7	—	1.7
Contingent consideration	—	—	651.5	651.5
Total liabilities at recurring fair value measurement	<u>\$ —</u>	<u>\$ 25.2</u>	<u>\$ 651.5</u>	<u>\$ 676.7</u>

MYLAN N.V. AND SUBSIDIARIES
Notes to Condensed Consolidated Financial Statements (Unaudited) - Continued

<i>(In millions)</i>	December 31, 2015			
	Level 1	Level 2	Level 3	Total
Recurring fair value measurements				
Financial Assets				
Cash equivalents:				
Money market funds	\$ 923.3	\$ —	\$ —	\$ 923.3
Total cash equivalents	923.3	—	—	923.3
Trading securities:				
Equity securities — exchange traded funds	22.8	—	—	22.8
Total trading securities	22.8	—	—	22.8
Available-for-sale fixed income investments:				
U.S. Treasuries	—	4.7	—	4.7
Corporate bonds	—	15.7	—	15.7
Agency mortgage-backed securities	—	3.9	—	3.9
Asset backed securities	—	2.3	—	2.3
Other	—	1.4	—	1.4
Total available-for-sale fixed income investments	—	28.0	—	28.0
Available-for-sale equity securities:				
Marketable securities	26.0	—	—	26.0
Total available-for-sale equity securities	26.0	—	—	26.0
Foreign exchange derivative assets	—	28.4	—	28.4
Interest rate swap derivative assets	—	36.3	—	36.3
Total assets at recurring fair value measurement	\$ 972.1	\$ 92.7	\$ —	\$ 1,064.8
Financial Liabilities				
Foreign exchange derivative liabilities	\$ —	\$ 9.3	\$ —	\$ 9.3
Interest rate swap derivative liabilities	—	10.5	—	10.5
Contingent consideration	—	—	526.4	526.4
Total liabilities at recurring fair value measurement	\$ —	\$ 19.8	\$ 526.4	\$ 546.2

For financial assets and liabilities that utilize Level 2 inputs, the Company utilizes both direct and indirect observable price quotes, including the LIBOR yield curve, foreign exchange forward prices and bank price quotes. Below is a summary of valuation techniques for Level 1 and Level 2 financial assets and liabilities:

- *Cash equivalents* — valued at observable net asset value prices.
- *Trading securities* — valued at the active quoted market price from broker or dealer quotations or transparent pricing sources at the reporting date.
- *Available-for-sale fixed income investments* — valued at the quoted market price from broker or dealer quotations or transparent pricing sources at the reporting date.
- *Available-for-sale equity securities* — valued using quoted stock prices from public exchanges at the reporting date and translated to the U.S. Dollar at prevailing spot exchange rates, as applicable.
- *Interest rate swap derivative assets and liabilities* — valued using the LIBOR/EURIBOR yield curves at the reporting date. Counterparties to these contracts are highly rated financial institutions.
- *Foreign exchange derivative assets and liabilities* — valued using quoted forward foreign exchange prices and spot rates at the reporting date. Counterparties to these contracts are highly rated financial institutions.

MYLAN N.V. AND SUBSIDIARIES**Notes to Condensed Consolidated Financial Statements (Unaudited) - Continued**

The fair value measurement of contingent consideration is determined using Level 3 inputs. The Company's contingent consideration represents a component of the total purchase consideration for the respiratory delivery platform, the acquisition of Agila, the acquisition of Jai Pharma Limited, the acquisition of the Topicals Business and certain other acquisitions. The measurement is calculated using unobservable inputs based on the Company's own assumptions. For the respiratory delivery platform, Jai Pharma Limited and certain other acquisitions, significant unobservable inputs in the valuation include the probability and timing of future development and commercial milestones and future profit sharing payments. A discounted cash flow method was used to value contingent consideration at September 30, 2016 and December 31, 2015, which was calculated as the present value of the estimated future net cash flows using a market rate of return. Discount rates ranging from 1.4% to 9.8% were utilized in the valuations. For the contingent consideration related to the acquisition of Agila and the acquisition of the Topicals Business, significant unobservable inputs in the valuation include the probability of future payments to the seller of amounts withheld at the closing date. Significant changes in unobservable inputs could result in material changes to the contingent consideration liability. During the three and nine months ended September 30, 2016, accretion of \$10.4 million and \$30.7 million, respectively, was recorded in interest expense in the Condensed Consolidated Statements of Operations. During the three and nine months ended September 30, 2015, accretion of \$9.7 million and \$28.5 million, respectively, was recorded in interest expense in the Condensed Consolidated Statements of Operations.

Although the Company has not elected the fair value option for other financial assets and liabilities, any future transacted financial asset or liability will be evaluated for the fair value election.

Notes to Condensed Consolidated Financial Statements (Unaudited) - Continued

12. Debt
Long-Term Debt

A summary of long-term debt is as follows:

<i>(In millions)</i>	Coupon	September 30, 2016	December 31, 2015
Current portion of long-term debt:			
2016 Senior Notes ^(a) *	1.800%	\$ —	\$ 500.1
2016 Senior Notes ^(b) *	1.350%	500.0	499.9
2015 Term Loans ^(c)		1,600.0	—
Meda Bank Loans ^(d)		1,942.6	—
Meda Bank Loans ^(e)		233.3	—
Other		4.4	1.6
Deferred financing fees		(1.5)	(2.9)
Current portion of long-term debt		<u>\$ 4,278.8</u>	<u>\$ 998.7</u>
Non-current portion of long-term debt:			
2015 Term Loans ^(c)		\$ —	\$ 1,600.0
2014 Term Loan ^(f)		800.0	800.0
Meda Medium Term Notes ^(g)		157.5	—
2018 Senior Notes ^(h) *	2.600%	649.5	649.3
2018 Senior Notes ^(h) **	3.000%	499.5	499.4
2019 Senior Notes ⁽ⁱ⁾ **	2.500%	999.0	—
2019 Senior Notes ^(j) *	2.550%	499.4	499.2
2020 Senior Notes ^(k) **	3.750%	499.9	499.8
2021 Senior Notes ^(l) **	3.150%	2,247.5	—
2023 Senior Notes ⁽ⁱ⁾ *	3.125%	815.4	785.2
2023 Senior Notes ^(m) *	4.200%	498.5	498.4
2026 Senior Notes ⁽ⁿ⁾ **	3.950%	2,233.1	—
2043 Senior Notes ^(o) *	5.400%	497.0	497.0
2046 Senior Notes ^(p) **	5.250%	999.8	—
Other		7.8	2.7
Deferred financing fees		(75.3)	(35.4)
Total long-term debt		<u>\$ 11,328.6</u>	<u>\$ 6,295.6</u>

^(a) Instrument was due on June 24, 2016, and the Company paid the principal amount of \$500.0 million and final interest payment of \$4.5 million at that time using available cash on hand.

^(b) Instrument is callable by the Company at any time at the greater of 100% of the principal amount and the sum of the present values of the remaining scheduled payments of principal and interest discounted at the U.S. Treasury rate plus 0.125% plus, in each case, accrued and unpaid interest. Instrument is due on November 29, 2016 and accordingly is included in current portion of long-term debt and other long-term obligations in the Condensed Consolidated Balance Sheets at September 30, 2016.

^(c) The 2015 Term Loans mature on July 15, 2017, subject to extension to December 19, 2017. Accordingly, the 2015 Term Loans are included in current portion of long-term debt and other long-term obligations in the Condensed Consolidated Balance Sheets at September 30, 2016.

^(d) Approximately 16.7kr billion of borrowings under a 25kr billion facility with nine Swedish and foreign banks that matures on August 30, 2017, and accordingly is included in current portion of long-term debt and other long-term obligations in the Condensed Consolidated Balance Sheets at September 30, 2016. At September 30, 2016, includes a fair value adjustment of approximately \$192 million.

MYLAN N.V. AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements (Unaudited) - Continued

- (e) Represents a bank loan of 2kr billion with AB Svensk Exportkredit (publ), as lender (“Svensk Exportkredit”) which is callable by the lender as a result of the completion of the Offer, and accordingly is included in current portion of long-term debt and other long-term obligations in the Condensed Consolidated Balance Sheets at September 30, 2016.
 - (f) The 2014 Term Loan matures on December 19, 2017.
 - (g) Swedish medium term notes (“MTN”) program with an upper limit of 7kr billion. Of the total amount outstanding of 1.35kr billion, 600kr million matures on April 5, 2018 and 750kr million matures on May 21, 2019.
 - (h) Instrument is callable by the Company at any time at the greater of 100% of the principal amount and the sum of the present values of the remaining scheduled payments of principal and interest discounted at the U.S. Treasury rate plus 0.30% plus, in each case, accrued and unpaid interest.
 - (i) Instrument is callable by the Company at any time at the greater of 100% of the principal amount and the sum of the present values of the remaining scheduled payments of principal and interest discounted at the U.S. Treasury rate plus 0.25% plus, in each case, accrued and unpaid interest.
 - (j) Instrument is callable by the Company at any time at the greater of 100% of the principal amount and the sum of the present values of the remaining scheduled payments of principal and interest discounted at the U.S. Treasury rate plus 0.20% plus, in each case, accrued and unpaid interest.
 - (k) Instrument is callable by the Company at any time prior to the date that is one month prior to the instrument’s maturity date at the greater of 100% of the principal amount and the sum of the present values of the remaining scheduled payments of principal and interest discounted at the U.S. Treasury rate plus 0.35% plus, in each case, accrued and unpaid interest. On or after such date, the instrument is callable by the Company at 100% of the principal amount plus accrued and unpaid interest.
 - (l) Instrument is callable by the Company at any time prior to the date that is one month prior to the instrument’s maturity date at the greater of 100% of the principal amount and the sum of the present values of the remaining scheduled payments of principal and interest discounted at the U.S. Treasury rate plus 0.30% plus, in each case, accrued and unpaid interest. On or after such date, the instrument is callable by the Company at 100% of the principal amount plus accrued and unpaid interest.
 - (m) Instrument is callable by the Company at any time prior to August 29, 2023 at the greater of 100% of the principal amount and the sum of the present values of the remaining scheduled payments of principal and interest discounted at the U.S. Treasury rate plus 0.25% plus, in each case, accrued and unpaid interest. On or after such date, the instrument is callable by the Company at 100% of the principal amount plus accrued and unpaid interest.
 - (n) Instrument is callable by the Company at any time prior to the date that is three months prior to the instrument’s maturity date at the greater of 100% of the principal amount and the sum of the present values of the remaining scheduled payments of principal and interest discounted at the U.S. Treasury rate plus 0.35% plus, in each case, accrued and unpaid interest. On or after such date, the instrument is callable by the Company at 100% of the principal amount plus accrued and unpaid interest.
 - (o) Instrument is callable by the Company at any time prior to May 29, 2043 at the greater of 100% of the principal amount and the sum of the present values of the remaining scheduled payments of principal and interest discounted at the U.S. Treasury rate plus 0.25% plus, in each case, accrued and unpaid interest. On or after such date, the instrument is callable by the Company at 100% of the principal amount plus accrued and unpaid interest.
 - (p) Instrument is callable by the Company at any time prior to the date that is six months prior to the instrument’s maturity date at the greater of 100% of the principal amount and the sum of the present values of the remaining scheduled payments of principal and interest discounted at the U.S. Treasury rate plus 0.40% plus, in each case, accrued and unpaid interest. On or after such date, the instrument is callable by the Company at 100% of the principal amount plus accrued and unpaid interest.
- * Instrument was issued by Mylan Inc.
- ** Instrument was issued by Mylan N.V.

Meda Borrowings

Upon settlement of the Offer on August 5, 2016, Meda became a controlled subsidiary of Mylan. Meda is party to certain debt obligations, all of which remained outstanding following the settlement of the Offer. During the three months ended September 30, 2016, the Company repaid approximately \$567 million of Meda’s bank loans. Meda’s outstanding debt obligations and committed bank facilities contained change of control provisions that were triggered upon settlement of the Offer. Meda’s debt financing includes approximately 16.7kr billion of borrowings under a syndicated bank facility of 25kr billion with nine Swedish and foreign banks. This financing is augmented with borrowings via a Swedish MTN program with an upper limit of 7kr billion, a Swedish commercial paper program with an upper limit of 4kr billion and a bilateral bank loan of 2kr billion.

MYLAN N.V. AND SUBSIDIARIES**Notes to Condensed Consolidated Financial Statements (Unaudited) - Continued**

The settlement of the Offer constituted a change of control under the Facilities Agreement, dated as of December 17, 2014 (as amended on October 29, 2015, the “Facilities Agreement”), among Meda, as borrower, the lenders party thereto (the “Lenders”) and Danske Bank A/S, as agent (“Danske”). As of September 30, 2016, there was \$1.94 billion aggregate principal amount of loans outstanding under the Facilities Agreement. On August 30, 2016, Meda entered into the Amendment and Waiver Letter (the “Amendment”) to the Facilities Agreement, between Meda, as borrower, and Danske Bank A/S, as agent on behalf of the Lenders. The Amendment provides that (i) the lenders under the Facilities Agreement waive any put rights arising in connection with the Company’s acquisition of a majority of the issued share capital in Meda or any action taken in connection therewith; (ii) the termination date in respect of each of the loans and commitments under the Facilities Agreement will be August 30, 2017; and (iii) a change of control will occur under the Facilities Agreement if (a) the Company fails to, directly or indirectly, own all or substantially all of the issued share capital or votes in Meda or (b) any person (other than Stichting Preferred Shares Mylan) acquires more than 50% of the issued share capital or votes in the Company. Of the total facility amount of 25kr billion, the Company has available approximately 7.9kr billion (\$925.1 million) of uncommitted borrowings at September 30, 2016.

The settlement of the Offer constituted a change of control under the terms of the notes issued by Meda under its MTN program. In accordance with the terms of the notes, Meda notified the noteholders of the occurrence of the change of control on August 5, 2016. As of September 30, 2016, there was \$157.5 million aggregate principal amount of notes outstanding under the MTN program. As a result of such change of control, each noteholder had an individual right (a “put right”) to demand early redemption of the notes at their principal amount, together with accrued interest up to and including the date of redemption. The date of redemption for the notes of the noteholders that chose to exercise their put rights was November 3, 2016 and approximately \$2.0 million was paid on that date.

The settlement of the Offer constituted a Change of Control (as defined in the Loan Agreement referred to below) under the Loan Agreement, dated as of September 17, 2014 (the “Loan Agreement”), between Meda, as borrower, and Svensk Exportkredit, as lender. As of September 30, 2016, there was \$233.3 million aggregate principal amount of loans outstanding under the Loan Agreement. In accordance with the terms of the Loan Agreement, Meda notified Svensk Exportkredit of the Change of Control. No agreement to amend the terms of the Loan Agreement was reached within 30 days of Svensk Exportkredit’s receipt of notice from Meda of the Change of Control. Svensk Exportkredit may cancel its commitment and demand repayment of the loans under the Loan Agreement by notice to Meda, with repayment to be made not less than 30 days after such notice to Meda. The loans under the Loan Agreement will be repaid in accordance with the terms thereof.

The Facilities Agreement contains customary affirmative covenants, including among others, covenants pertaining to the delivery of financial statements, notices of default and certain material events, maintenance of authorizations, property, and insurance and compliance with laws, as well as customary negative covenants, including limitations on the incurrence of subsidiary indebtedness, disposals, loans and guarantees, liens, mergers and certain other corporate reconstructions, acquisitions and changes in Meda’s lines of business. Pursuant to the Facilities Agreement, Meda must deliver to Danske (i) within 60 days after the end of each consecutive three month period of its financial years, its unaudited consolidated financial statements for such three month period and (ii) within 120 days after the end of each of its financial years, its audited consolidated financial statements for such financial year. The Facilities Agreement contains financial covenants limited to (i) a maximum senior net debt to EBITDA ratio and (ii) a minimum EBITDA interest coverage ratio.

The MTN program contains covenants that, among other things, restrict Meda’s ability and the ability of certain of Meda’s subsidiaries to substantially change the general nature of its business; create liens to secure debt securities or other publicly traded debt; or sell or dispose of Meda’s assets to the extent such sales or disposition could jeopardize Meda’s ability to fulfill its obligations under the MTN program; and require Meda to maintain the listing of the loans under the MTN program on Nasdaq Stockholm. As long as the loans under the MTN program are listed on Nasdaq Stockholm, Meda is required to comply with certain Nasdaq Stockholm financial reporting requirements. The MTN program also provides for customary events of default (subject in certain cases to customary grace and cure periods), which include nonpayment, breach of covenants, payment defaults or acceleration of other indebtedness, failure to pay certain judgments and certain events of bankruptcy and insolvency. These covenants and events of default are subject to a number of important qualifications, limitations and exceptions that are described in the general terms and conditions of the MTN program. If an event of default with respect to the loans under the MTN program occurs, the principal amount of all of the loans under the MTN program then outstanding, plus accrued and unpaid interest, if any, to the date of acceleration, may become immediately due and payable.

The Loan Agreement contains customary affirmative covenants, including among others, covenants pertaining to the delivery of financial statements, notices of default and certain material events, maintenance of authorizations and compliance with laws, as well as customary negative covenants, including limitations on the incurrence of subsidiary indebtedness,

MYLAN N.V. AND SUBSIDIARIES**Notes to Condensed Consolidated Financial Statements (Unaudited) - Continued**

disposals, liens, mergers and certain other corporate reconstructions and changes in Meda's lines of business. Pursuant to the Loan Agreement, Meda must deliver to Svensk Exportkredit (i) within 60 days after the end of each consecutive three month period of its financial years, its unaudited consolidated financial statements for such three month period and (ii) within 120 days after the end of each of its financial years, its audited consolidated financial statements for such financial year. The Loan Agreement contains financial covenants limited to (i) a maximum senior net debt to EBITDA ratio, (ii) a maximum senior net debt to equity ratio and (iii) a minimum EBITDA interest coverage ratio.

Receivables Facility

The Receivables Facility has a committed balance of \$400 million, although from time-to-time, the available amount of the Receivables Facility may be less than \$400 million based on accounts receivable concentration limits and other eligibility requirements. As of September 30, 2016 and December 31, 2015, the Company had no short-term borrowings under the Receivables Facility in the Condensed Consolidated Balance Sheets.

Issuance of June 2016 Senior Notes

During the second quarter of 2016, in anticipation of the completion of the Offer, Mylan N.V. issued \$1.00 billion aggregate principal amount of 2.500% Senior Notes due 2019, \$2.25 billion aggregate principal amount of 3.150% Senior Notes due 2021, \$2.25 billion aggregate principal amount of 3.950% Senior Notes due 2026 and \$1.00 billion aggregate principal amount of 5.250% Senior Notes due 2046 (collectively, the "June 2016 Senior Notes") in a private offering exempt from the registration requirements of the Securities Act of 1933, as amended (the "Securities Act"), to qualified institutional buyers in accordance with Rule 144A and to persons outside of the U.S. pursuant to Regulation S under the Securities Act. The June 2016 Senior Notes were issued pursuant to an indenture, dated as of June 9, 2016 (the "Indenture"), among the Company, Mylan Inc., as guarantor (the "Guarantor"), and The Bank of New York Mellon, as trustee. The June 2016 Senior Notes were guaranteed by Mylan Inc. upon issuance. In addition, the Company entered into a registration rights agreement, dated as of June 9, 2016, pursuant to which the Company and Mylan Inc. will use commercially reasonable efforts to file a registration statement with respect to an offer to exchange each series of the June 2016 Senior Notes for new notes with the same aggregate principal amount and terms identical in all material respects and to cause the exchange offer registration statement to be declared effective by the SEC and to consummate the exchange offer not later than 365 days following the date of issuance of the June 2016 Senior Notes.

The Indenture contains covenants that, among other things, restrict the Company's ability and the ability of certain of its subsidiaries to enter into sale and leaseback transactions; create liens; consolidate, merge or sell all or substantially all of the Company's assets; and with respect to such subsidiaries only, guarantee certain of our or our other subsidiaries' outstanding obligations or incur certain obligations without also guaranteeing our obligations under the June 2016 Senior Notes on a senior basis. The Indenture also provides for customary events of default (subject in certain cases to customary grace and cure periods), which include nonpayment, breach of covenants, payment defaults or acceleration of other indebtedness, failure to pay certain judgments and certain events of bankruptcy and insolvency. These covenants and events of default are subject to a number of important qualifications, limitations and exceptions that are described in the Indenture. If an event of default with respect to the June 2016 Senior Notes of a series occurs under the Indenture, the principal amount of all of the June 2016 Senior Notes of such series then outstanding, plus accrued and unpaid interest, if any, to the date of acceleration, may become immediately due and payable.

The 2.500% Senior Notes due 2019 mature on June 7, 2019, subject to earlier repurchase or redemption in accordance with the terms of the Indenture. The 2.500% Senior Notes due 2019 bear interest at a rate of 2.500% per annum, accruing from June 9, 2016. Interest on the 2.500% Senior Notes due 2019 is payable semi-annually in arrears on June 7 and December 7 of each year, commencing on December 7, 2016. The 3.150% Senior Notes due 2021 mature on June 15, 2021, subject to earlier repurchase or redemption in accordance with the terms of the Indenture. The 3.150% Senior Notes due 2021 bear interest at a rate of 3.150% per annum, accruing from June 9, 2016. Interest on the 3.150% Senior Notes due 2021 is payable semi-annually in arrears on June 15 and December 15 of each year, commencing on December 15, 2016. The 3.950% Senior Notes due 2026 mature on June 15, 2026, subject to earlier repurchase or redemption in accordance with the terms of the Indenture. The 3.950% Senior Notes due 2026 bear interest at a rate of 3.950% per annum, accruing from June 9, 2016. Interest on the 3.950% Senior Notes due 2026 is payable semi-annually in arrears on June 15 and December 15 of each year, commencing on December 15, 2016. The 5.250% Senior Notes due 2046 mature on June 15, 2046, subject to earlier repurchase or redemption in accordance with the terms of the Indenture. The 5.250% Senior Notes due 2046 bear interest at a rate of 5.250% per annum, accruing from June 9, 2016. Interest of the 5.250% Senior Notes due 2046 is payable semi-annually in arrears on June 15 and December 15 of each year, commencing on December 15, 2016.

MYLAN N.V. AND SUBSIDIARIES**Notes to Condensed Consolidated Financial Statements (Unaudited) - Continued**

At September 30, 2016, the outstanding balance of the 2.500% Senior Notes due 2019, 3.150% Senior Notes due 2021, 3.950% Senior Notes due 2026 and 5.250% Senior Notes due 2046 was \$999.0 million, \$2.25 billion, \$2.23 billion and \$999.8 million, respectively, which includes discounts of \$1.0 million, \$2.5 million, \$16.9 million and \$0.2 million, respectively. During the nine months ended September 30, 2016, the Company incurred approximately \$47.9 million in financing fees, which were recorded as deferred financing costs in the Condensed Consolidated Balance Sheets.

2016 Bridge Credit Agreement

In connection with the Offer, on February 10, 2016, the Company entered into a Bridge Credit Agreement (the “2016 Bridge Credit Agreement”), among the Company, as borrower, Mylan Inc., as guarantor, Deutsche Bank AG Cayman Islands Branch, as administrative agent and a lender, Goldman Sachs Bank USA, as a lender, Goldman Sachs Lending Partners LLC, as a lender, and other lenders party thereto from time to time. The Company incurred total financing and ticking fees of approximately \$45.2 million related to the 2016 Bridge Credit Agreement. During the first quarter of 2016, the Company wrote off approximately \$3.0 million of financing fees related to the Tranche B Loans (as defined in the 2016 Bridge Credit Agreement) in conjunction with the termination of the Tranche B Loans. The remaining commitments under the 2016 Bridge Credit Agreement were permanently terminated in their entirety in connection with the completion of the offering of the June 2016 Senior Notes. As a result of the termination of the 2016 Bridge Credit Agreement, the Company expensed the remaining \$30.2 million of unamortized financing fees related to the 2016 Bridge Credit Agreement to other expense, net in the Condensed Consolidated Statements of Operations during the second quarter of 2016.

Revolving Facility

On December 19, 2014, the Company entered into a revolving credit agreement, which was amended on May 1, 2015, and further amended on June 19, 2015 and October 28, 2015 (the “Revolving Credit Agreement”) with a syndicate of lenders, which contains a \$1.65 billion revolving facility (the “Revolving Facility”), which expires on December 19, 2019. The Revolving Facility includes a \$150 million subfacility for the issuance of letters of credit and a \$125 million subfacility for swingline borrowings.

At September 30, 2016 and December 31, 2015, the Company had no amounts outstanding under the Revolving Facility. The interest rate under the Revolving Facility is LIBOR (determined in accordance with the Revolving Credit Agreement) plus 1.325% per annum. In addition, the Revolving Facility has a facility fee which is 0.175%.

2015 Term Loans

On July 15, 2015, the Company entered into a term credit agreement, which was amended on October 28, 2015 (the “2015 Term Credit Agreement”) with a syndicate of lenders, which provided for a term loan credit facility under which the Company obtained loans in the aggregate amount of \$1.6 billion, consisting of (i) a closing date term loan in the amount of \$1.0 billion, borrowed on July 15, 2015 and (ii) a delayed draw term loan in the amount of \$600.0 million, borrowed on September 15, 2015 (collectively, the “2015 Term Loans”). The 2015 Term Loans mature on July 15, 2017, subject to extension to December 19, 2017. The loans under the 2015 Term Credit Agreement bear interest at LIBOR (determined in accordance with the 2015 Term Credit Agreement) plus 1.375% per annum.

2014 Term Loan

On December 19, 2014, the Company entered into a term credit agreement, which was amended on May 1, 2015, and further amended on October 28, 2015 (the “2014 Term Credit Agreement”), with a syndicate of lenders which provided an \$800 million term loan (the “2014 Term Loan”). The 2014 Term Loan matures on December 19, 2017 and has no required amortization payments. The 2014 Term Loan bears interest at LIBOR (determined in accordance with the 2014 Term Credit Agreement) plus 1.375% per annum.

Amendment to the Revolving Credit Facility, 2015 Term Loans and 2014 Term Loan

On February 22, 2016, the Company and Mylan Inc. (the “Borrower”) entered into (i) Amendment No. 3 (the “Revolving Amendment”) to the Revolving Credit Agreement, among the Borrower, the Company, certain lenders and issuing banks and Bank of America, N.A., as administrative agent, (ii) Amendment No. 2 (the “2015 Term Amendment”) to the 2015 Term Credit Agreement, among the Borrower, the Company, certain lenders and PNC Bank, National Association, as administrative agent and (iii) Amendment No. 3 (the “2014 Term Amendment”) to the 2014 Term Credit Agreement, among the

MYLAN N.V. AND SUBSIDIARIES
Notes to Condensed Consolidated Financial Statements (Unaudited) - Continued

Borrower, the Company, certain lenders and Bank of America, N.A., as administrative agent. The Revolving Amendment, 2015 Term Amendment and 2014 Term Amendment provide that the Company's acquisition of Meda constitutes a Qualified Acquisition (as defined in each of the Revolving Credit Agreement, the 2014 Term Credit Agreement and the 2015 Term Credit Agreement) and amends the event of default provisions to provide that any "change of control" put rights under any indebtedness of any Acquired Entity or Business (as defined in each of the Revolving Credit Agreement, the 2014 Term Credit Agreement and the 2015 Term Credit Agreement) or its subsidiaries that are triggered as a result of the acquisition of any Acquired Entity or Business will not result in an event of default so long as any such indebtedness that is put in accordance with the terms of such indebtedness is paid as required by the terms of such indebtedness.

Fair Value

At September 30, 2016 and December 31, 2015, the fair value of the Company's 1.350% Senior Notes due 2016, 2.600% Senior Notes due 2018, 3.000% Senior Notes due 2018, 2.500% Senior Notes due 2019, 2.550% Senior Notes due 2019, 3.750% Senior Notes due 2020, 3.150% Senior Notes due 2021, 3.125% Senior Notes due 2023, 4.200% Senior Notes due 2023, 3.950% Senior Notes due 2026, 5.400% Senior Notes due 2043 and 5.250% Senior Notes due 2046 (collectively, the "Senior Notes") was approximately \$11.19 billion and \$4.80 billion, respectively. The fair values of the Senior Notes were valued at quoted market prices from broker or dealer quotations and were classified as Level 2 in the fair value hierarchy. Based on quoted market rates of interest and maturity schedules of similar debt issues, the fair values of the Company's 2015 Term Loans, 2014 Term Loan and the Meda borrowings, determined based on Level 2 inputs, approximate their carrying values at September 30, 2016 and December 31, 2015.

Mandatory minimum repayments remaining on the outstanding long-term debt at September 30, 2016, excluding the discounts, premiums and associated derivatives, are as follows for each of the periods ending December 31:

<i>(In millions)</i>	Total
2016	\$ 733.3
2017	4,150.5
2018	1,220.0
2019	1,587.5
2020	500.0
Thereafter	7,250.0
Total	\$ 15,441.3

13. Comprehensive Earnings

Accumulated other comprehensive loss, as reflected on the Condensed Consolidated Balance Sheets, is comprised of the following:

<i>(In millions)</i>	September 30, 2016	December 31, 2015
Accumulated other comprehensive loss:		
Net unrealized gain (loss) on marketable securities, net of tax	\$ 19.5	\$ (1.0)
Net unrecognized losses and prior service cost related to defined benefit plans, net of tax	(15.1)	(14.9)
Net unrecognized losses on derivatives in cash flow hedging relationships, net of tax	(31.9)	(18.1)
Net unrecognized losses on derivatives in net investment hedging relationships, net of tax	(8.1)	—
Foreign currency translation adjustment	(1,084.8)	(1,730.3)
	\$ (1,120.4)	\$ (1,764.3)

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Notes to Condensed Consolidated Financial Statements (Unaudited) - Continued

Components of accumulated other comprehensive loss, before tax, consist of the following, for the three and nine months ended September 30, 2016 and 2015:

<i>(In millions)</i>	Three Months Ended September 30, 2016						Totals	
	Gains and Losses on Derivatives in Cash Flow Hedging Relationships			Gains and Losses on Net Investment Hedges	Gains and Losses on Marketable Securities	Defined Pension Plan Items		Foreign Currency Translation Adjustment
	Foreign Currency Forward Contracts	Interest Rate Swaps	Total					
Balance at June 30, 2016 net of tax			\$ (46.7)	\$ —	\$ 6.0	\$ (15.2)	\$ (1,375.4)	\$ (1,431.3)
Other comprehensive earnings (loss) before reclassifications, before tax			9.8	(10.4)	21.5	(0.2)	290.6	311.3
Amounts reclassified from accumulated other comprehensive earnings (loss), before tax:								
Loss on foreign exchange forward contracts classified as cash flow hedges, included in net sales	10.7		10.7					10.7
Loss on interest rate swaps classified as cash flow hedges, included in interest expense		2.3	2.3					2.3
Amortization of prior service costs included in SG&A						—		—
Amortization of actuarial loss included in SG&A						0.3		0.3
Net other comprehensive earnings (loss), before tax			22.8	(10.4)	21.5	0.1	290.6	324.6
Income tax provision (benefit)			8.0	(2.3)	8.0	—	—	13.7
Balance at September 30, 2016, net of tax			\$ (31.9)	\$ (8.1)	\$ 19.5	\$ (15.1)	\$ (1,084.8)	\$ (1,120.4)

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Notes to Condensed Consolidated Financial Statements (Unaudited) - Continued

	Nine Months Ended September 30, 2016						Totals	
	Gains and Losses on Derivatives in Cash Flow Hedging Relationships			Gains and Losses on Net Investment Hedges	Gains and Losses on Marketable Securities	Defined Pension Plan Items		Foreign Currency Translation Adjustment
	Foreign Currency Forward Contracts	Interest Rate Swaps	Total					
Balance at December 31, 2015, net of tax			\$ (18.1)	\$ —	\$ (1.0)	\$ (14.9)	\$ (1,730.3)	\$ (1,764.3)
Other comprehensive (loss) earnings before reclassifications, before tax			(63.7)	(10.4)	32.5	(1.2)	645.5	602.7
Amounts reclassified from accumulated other comprehensive (loss) earnings, before tax:								
Loss on foreign exchange forward contracts classified as cash flow hedges, included in net sales	34.2		34.2					34.2
Loss on interest rate swaps classified as cash flow hedges, included in interest expense		6.6	6.6					6.6
Amortization of prior service costs included in SG&A						0.2		0.2
Amortization of actuarial loss included in SG&A						0.7		0.7
Net other comprehensive (loss) earnings, before tax			(22.9)	(10.4)	32.5	(0.3)	645.5	644.4
Income tax (benefit) provision			(9.1)	(2.3)	12.0	(0.1)	—	0.5
Balance at September 30, 2016, net of tax			<u>\$ (31.9)</u>	<u>\$ (8.1)</u>	<u>\$ 19.5</u>	<u>\$ (15.1)</u>	<u>\$ (1,084.8)</u>	<u>\$ (1,120.4)</u>

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Notes to Condensed Consolidated Financial Statements (Unaudited) - Continued

	Three Months Ended September 30, 2015						
	Gains and Losses on Derivatives in Cash Flow Hedging Relationships			Gains and Losses on Marketable Securities	Defined Pension Plan Items	Foreign Currency Translation Adjustment	Totals
	Foreign Currency Forward Contracts	Interest Rate Swaps	Total				
<i>(In millions)</i>							
Balance at June 30, 2015, net of tax			\$ (17.6)	\$ 0.1	\$ (16.4)	\$ (1,317.7)	\$ (1,351.6)
Other comprehensive (loss) earnings before reclassifications, before tax			(92.5)	(0.2)	0.1	(148.4)	(241.0)
Amounts reclassified from accumulated other comprehensive (loss) earnings, before tax:							
Loss on foreign exchange forward contracts classified as cash flow hedges, included in net sales	(8.1)		(8.1)				(8.1)
Loss on interest rate swaps classified as cash flow hedges, included in interest expense		(0.2)	(0.2)				(0.2)
Amortization of actuarial gain included in SG&A					0.1		0.1
Amounts reclassified from accumulated other comprehensive loss, before tax			(8.3)	—	0.1	—	(8.2)
Net other comprehensive loss, before tax			(84.2)	(0.2)	—	(148.4)	(232.8)
Income tax (benefit) provision			(30.8)	(0.2)	0.2	—	(30.8)
Balance at September 30, 2015, net of tax			\$ (71.0)	\$ 0.1	\$ (16.6)	\$ (1,466.1)	\$ (1,553.6)

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Notes to Condensed Consolidated Financial Statements (Unaudited) - Continued

	Nine Months Ended September 30, 2015						
	Gains and Losses on Derivatives in Cash Flow Hedging Relationships			Gains and Losses on Marketable Securities	Defined Pension Plan Items	Foreign Currency Translation Adjustment	Totals
	Foreign Currency Forward Contracts	Interest Rate Swaps	Total				
Balance at December 31, 2014, net of tax			\$ (28.4)	\$ 0.3	\$ (19.5)	\$ (939.4)	\$ (987.0)
Other comprehensive (loss) earnings before reclassifications, before tax			(98.3)	(0.4)	4.5	(526.7)	(620.9)
Amounts reclassified from accumulated other comprehensive loss, before tax:							
Loss on foreign exchange forward contracts classified as cash flow hedges, included in net sales	(30.4)		(30.4)				(30.4)
Loss on interest rate swaps classified as cash flow hedges, included in interest expense		(0.5)	(0.5)				(0.5)
Amortization of prior service costs included in SG&A					0.2		0.2
Amortization of actuarial gain included in SG&A					0.4		0.4
Amounts reclassified from accumulated other comprehensive loss, before tax			(30.9)	—	0.6	—	(30.3)
Net other comprehensive (loss) earnings, before tax			(67.4)	(0.4)	3.9	(526.7)	(590.6)
Income tax (benefit) provision			(24.8)	(0.2)	1.0	—	(24.0)
Balance at September 30, 2015, net of tax			\$ (71.0)	\$ 0.1	\$ (16.6)	\$ (1,466.1)	\$ (1,553.6)

14. Shareholders' Equity

A summary of the changes in shareholders' equity for the nine months ended September 30, 2016 and 2015 is as follows:

(In millions)	Total Mylan N.V. Shareholders' Equity	Noncontrolling Interest	Total
December 31, 2015	\$ 9,764.4	\$ 1.4	\$ 9,765.8
Net earnings	62.5	—	62.5
Other comprehensive earnings, net of tax	643.9	—	643.9
Stock option activity	11.1	—	11.1
Share-based compensation expense	71.1	—	71.1
Issuance of restricted stock, net of shares withheld	(9.6)	—	(9.6)
Tax benefit of stock option plans	2.2	—	2.2
Issuance of ordinary shares to purchase Meda	1,281.7	—	1,281.7
Other	—	0.1	0.1
September 30, 2016	\$ 11,827.3	\$ 1.5	\$ 11,828.8

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Notes to Condensed Consolidated Financial Statements (Unaudited) - Continued

<i>(In millions)</i>	Total Mylan N.V. Shareholders' Equity	Noncontrolling Interest	Total
December 31, 2014	\$ 3,255.9	\$ 20.1	\$ 3,276.0
Net earnings	653.0	0.1	653.1
Other comprehensive loss, net of tax	(566.6)	—	(566.6)
Stock option activity	92.9	—	92.9
Share-based compensation expense	66.4	—	66.4
Issuance of restricted stock, net of shares withheld	(41.5)	—	(41.5)
Tax benefit of stock option plans	49.5	—	49.5
Issuance of ordinary shares to purchase the EPD Business	6,305.8	—	6,305.8
Purchase of subsidiary shares from noncontrolling interest	—	(18.7)	(18.7)
Other	(1.8)	(0.1)	(1.9)
September 30, 2015	<u>\$ 9,813.6</u>	<u>\$ 1.4</u>	<u>\$ 9,815.0</u>

On August 5, 2016, in conjunction with the Offer, the Company issued approximately 26.4 million Mylan N.V. ordinary shares to Meda shareholders. On February 27, 2015, as part of the EPD Transaction, the Company acquired the EPD Business from Abbott Laboratories in exchange for 110 million ordinary shares of Mylan N.V.

On April 3, 2015, the Company and Stichting Preferred Shares Mylan (the "Foundation") entered into a call option agreement (the "Call Option Agreement"). Pursuant to the terms of the Call Option Agreement, Mylan N.V. granted the Foundation a call option (the "Option"), permitting the Foundation to acquire from time-to-time Mylan N.V. preferred shares up to a maximum number equal to the total number of Mylan N.V. ordinary shares issued at such time to the extent such shares are not held by the Foundation. In response to Teva Pharmaceutical Industries Ltd.'s ("Teva") unsolicited expression of interest to acquire Mylan on July 23, 2015, the Foundation exercised the Option and acquired 488,388,431 Mylan preferred shares pursuant to the terms of the Call Option Agreement. Each Mylan ordinary share and preferred share was entitled to one vote on each matter properly brought before a general meeting of shareholders. On July 27, 2015, Teva announced its entry into an agreement to acquire the Generic Drug Unit of Allergan plc and the withdrawal of its unsolicited, non-binding expression of interest to acquire Mylan. On September 19, 2015, the Foundation requested the redemption of the Mylan preferred shares issued. Mylan ordinary shareholders approved the redemption of the preferred shares on January 7, 2016 at an extraordinary general meeting of shareholders and on March 17, 2016, the redemption of the Mylan preferred shares became effective. The Foundation will continue to have the right to exercise the Option in the future in response to a new threat to the interests of Mylan, its businesses and its stakeholders from time to time.

With effect from February 27, 2015, the general meeting authorized the board to repurchase Company shares for a maximum period of 18 months, with such authorization expiring on August 27, 2016 (the "Share Repurchase Authorization"). More specifically, the general meeting authorized the board to repurchase the maximum number of ordinary shares allowed under Dutch law and applicable securities regulations on the NASDAQ for a period of 18 months. On June 24, 2016, at the annual general meeting, the Company's shareholders approved an extension of the Share Repurchase Authorization, which will now expire on December 24, 2017. On July 27, 2016, the board approved the commensurate extension of the Share Repurchase Program (as defined below).

On November 16, 2015, the Company announced that its board of directors approved the repurchase of up to \$1.0 billion of the Company's ordinary shares either in the open market through privately-negotiated transactions or in one of more self tender offers (the "Share Repurchase Program"). At September 30, 2016, the Share Repurchase Program has approximately \$932.5 million remaining for ordinary share repurchases. The Share Repurchase Program does not obligate the Company to acquire any particular amount of ordinary shares.

15. Segment Information

The Company has two segments, "Generics" and "Specialty." The Generics segment primarily develops, manufactures, sells and distributes generic or branded generic pharmaceutical products in tablet, capsule, injectable, transdermal patch, gel, cream or ointment form, as well as active pharmaceutical ingredients ("API"). The Specialty segment

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Notes to Condensed Consolidated Financial Statements (Unaudited) - Continued

engages mainly in the development and sale of branded specialty nebulized and injectable products. Meda operations have been included in the Generics segment for the three and nine months ended September 30, 2016.

The Company's chief operating decision maker is the Chief Executive Officer, who evaluates the performance of the Company's segments based on total revenues and segment profitability. Segment profitability represents segment gross profit less direct R&D expenses and direct SG&A. Certain general and administrative and R&D expenses not allocated to the segments, net charges for litigation settlements, impairment charges and other expenses not directly attributable to the segments, are reported in Corporate/Other. Additionally, amortization of intangible assets and other purchase accounting related items, as well as any other significant special items, are included in Corporate/Other. Items below the earnings from operations line on the Company's Condensed Consolidated Statements of Operations are not presented by segment, since they are excluded from the measure of segment profitability. The Company does not report depreciation expense, total assets and capital expenditures by segment, as such information is not used by the chief operating decision maker.

The accounting policies of the segments are the same as those described in the "Summary of Significant Accounting Policies" included in Mylan N.V.'s Annual Report on Form 10-K for the year ended December 31, 2015, as amended. Intersegment revenues are accounted for at current market values and are eliminated at the consolidated level.

Due to our acquisition of Meda on August 5, 2016 and the integration of our portfolio across our branded, generics and OTC platforms in all of our regions, effective October 1, 2016, the Company is expanding its reportable segments. The Company will report its results in three segments on a geographic basis as follows: (1) North America, (2) Europe and (3) Rest of World. This change in segment reporting will begin with the Company's consolidated financial statements for the year ending December 31, 2016. Comparative segment financial information will be recast for prior periods to conform to this revised segment structure. Identifiable intangible assets and goodwill previously allocated to the Generics and Specialty Segments will be reallocated to the new segments. The Company's measure of segment profitability will remain unchanged.

Presented in the table below is segment information for the periods identified and a reconciliation of segment information to total consolidated information.

<i>(In millions)</i>	<u>Generics Segment</u>	<u>Specialty Segment</u>	<u>Corporate / Other⁽¹⁾</u>	<u>Consolidated</u>
Three Months Ended September 30, 2016				
Total revenues				
Third party	\$ 2,625.0	\$ 432.1	\$ —	\$ 3,057.1
Intersegment	27.4	7.2	(34.6)	—
Total	\$ 2,652.4	\$ 439.3	\$ (34.6)	\$ 3,057.1
Segment profitability (loss)	\$ 799.3	\$ 278.2	\$ (1,208.2)	\$ (130.7)
Nine Months Ended September 30, 2016				
Total revenues				
Third party	\$ 6,709.4	\$ 1,099.7	\$ —	\$ 7,809.1
Intersegment	29.5	13.7	(43.2)	—
Total	\$ 6,738.9	\$ 1,113.4	\$ (43.2)	\$ 7,809.1
Segment profitability	\$ 1,923.7	\$ 658.3	\$ (2,196.2)	\$ 385.8

MYLAN N.V. AND SUBSIDIARIES
Notes to Condensed Consolidated Financial Statements (Unaudited) - Continued

<i>(In millions)</i>	<u>Generics Segment</u>	<u>Specialty Segment</u>	<u>Corporate / Other⁽¹⁾</u>	<u>Consolidated</u>
Three Months Ended September 30, 2015				
Total revenues				
Third party	\$ 2,249.9	\$ 445.3	\$ —	\$ 2,695.2
Intersegment	1.4	1.2	(2.6)	—
Total	\$ 2,251.3	\$ 446.5	\$ (2.6)	\$ 2,695.2
Segment profitability	\$ 788.5	\$ 258.2	\$ (445.6)	\$ 601.1
Nine Months Ended September 30, 2015				
Total revenues				
Third party	\$ 5,968.8	\$ 969.8	\$ —	\$ 6,938.6
Intersegment	5.2	5.8	(11.0)	—
Total	\$ 5,974.0	\$ 975.6	\$ (11.0)	\$ 6,938.6
Segment profitability	\$ 1,834.0	\$ 524.2	\$ (1,321.2)	\$ 1,037.0

⁽¹⁾ Includes certain corporate general and administrative and R&D expenses; litigation settlements and other contingencies, net, which for the three and nine months ended September 30, 2016 included the Medicaid Drug Rebate Program Settlement and the Strides Settlement, as discussed further in Note 18 *Contingencies*; certain intercompany transactions, including eliminations; amortization of intangible assets and certain purchase accounting items; impairment charges; and other expenses not directly attributable to segments.

16. Subsidiary Guarantors

The following tables present unaudited condensed consolidating financial information for (a) the Company (for purposes of this discussion and these tables, “Parent Guarantor”); (b) Mylan Inc., the issuer of certain Senior Notes (for the purposes of this discussion and these tables, the “Issuer”) (Refer to Note 12 *Debt* for further discussion of the Senior Note issuances); and (c) all other subsidiaries of the Parent Guarantor on a combined basis, none of which guaranteed the Cash Convertible Notes or guarantee the Senior Notes (“Non-Guarantor Subsidiaries”). The consolidating adjustments primarily relate to eliminations of investments in subsidiaries and intercompany balances and transactions. The unaudited condensed consolidating financial statements present investments in subsidiaries using the equity method of accounting. Mylan Inc. is an indirect wholly owned subsidiary of the Company and the Company fully and unconditionally guaranteed on a senior unsecured basis the Senior Notes issued by Mylan Inc.

In addition, the Company’s 3.000% Senior Notes due December 2018 and the 3.750% Senior Notes due December 2020 (collectively, the “December 2015 Senior Notes”) and June 2016 Senior Notes are guaranteed on a senior unsecured basis by Mylan Inc. In connection with the offering of the December 2015 Senior Notes and June 2016 Senior Notes, the Company entered into separate registration rights agreements pursuant to which the Company and Mylan Inc. will use commercially reasonable efforts to file a registration statement with respect to an offer to exchange each series of the December 2015 Senior Notes and June 2016 Senior Notes for new notes with the same aggregate principal amount and terms substantially identical in all material respects and to cause the exchange offer registration statement to be declared effective by the SEC and to consummate the exchange offer not later than 365 days following the respective dates of issuance of the December 2015 Senior Notes and the June 2016 Senior Notes.

The following financial information presents the related unaudited Condensed Consolidating Statements of Operations for the three and nine months ended September 30, 2016 and 2015, the unaudited Condensed Consolidating Statements of Comprehensive Earnings for the three and nine months ended September 30, 2016 and 2015, the unaudited Condensed Consolidating Balance Sheets as of September 30, 2016 and December 31, 2015 and the unaudited Condensed Consolidating Statements of Cash Flows for the nine months ended September 30, 2016 and 2015. This unaudited condensed consolidating financial information has been prepared and presented in accordance with SEC Regulation S-X Rule 3-10 “Financial Statements of Guarantors and Issuers of Guaranteed Securities Registered or Being Registered.”

MYLAN N.V. AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements (Unaudited) - Continued

UNAUDITED CONDENSED CONSOLIDATING STATEMENT OF OPERATIONS
Three Months Ended September 30, 2016

<i>(In millions)</i>	Mylan N.V. (Parent Guarantor)	Mylan Inc. (Issuer)	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Revenues:						
Net sales	\$ —	\$ —	\$ —	\$ 3,029.5	\$ —	\$ 3,029.5
Other revenues	—	—	—	27.6	—	27.6
Total revenues	—	—	—	3,057.1	—	3,057.1
Cost of sales	—	—	—	1,773.8	—	1,773.8
Gross profit	—	—	—	1,283.3	—	1,283.3
Operating expenses:						
Research and development	—	—	—	199.1	—	199.1
Selling, general and administrative	43.1	134.0	—	479.8	—	656.9
Litigation settlements and other contingencies, net	—	—	—	558.0	—	558.0
Total operating expenses	43.1	134.0	—	1,236.9	—	1,414.0
(Losses) earnings from operations	(43.1)	(134.0)	—	46.4	—	(130.7)
Interest expense	70.7	40.9	—	32.8	—	144.4
Other (income) expense, net	(31.4)	(102.7)	—	184.3	—	50.2
(Loss) earnings before income taxes	(82.4)	(72.2)	—	(170.7)	—	(325.3)
Income tax provision (benefit)	—	8.1	—	(213.6)	—	(205.5)
Earnings (loss) of equity interest subsidiaries	(37.4)	442.9	—	—	(405.5)	—
Net (loss) earnings attributable to Mylan N.V. ordinary shareholders	\$ (119.8)	\$ 362.6	\$ —	\$ 42.9	\$ (405.5)	\$ (119.8)

MYLAN N.V. AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements (Unaudited) - Continued

UNAUDITED CONDENSED CONSOLIDATING STATEMENT OF OPERATIONS
Nine Months Ended September 30, 2016

<i>(In millions)</i>	Mylan N.V. (Parent Guarantor)	Mylan Inc. (Issuer)	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Revenues:						
Net sales	\$ —	\$ —	\$ —	\$ 7,745.5	\$ —	\$ 7,745.5
Other revenues	—	—	—	63.6	—	63.6
Total revenues	—	—	—	7,809.1	—	7,809.1
Cost of sales	—	—	—	4,447.1	—	4,447.1
Gross profit	—	—	—	3,362.0	—	3,362.0
Operating expenses:						
Research and development	—	—	—	632.2	—	632.2
Selling, general and administrative	75.8	499.2	—	1,212.6	—	1,787.6
Litigation settlements and other contingencies, net	—	—	—	556.4	—	556.4
Total operating expenses	75.8	499.2	—	2,401.2	—	2,976.2
(Loss) earnings from operations	(75.8)	(499.2)	—	960.8	—	385.8
Interest expense	115.1	126.3	—	63.6	—	305.0
Other expense (income), net	53.6	(305.7)	—	436.1	—	184.0
(Loss) earnings before income taxes	(244.5)	(319.8)	—	461.1	—	(103.2)
Income tax provision (benefit)	—	22.1	—	(187.8)	—	(165.7)
Earnings of equity interest subsidiaries	307.0	1,055.7	—	—	(1,362.7)	—
Net earnings attributable to Mylan N.V. ordinary shareholders	\$ 62.5	\$ 713.8	\$ —	\$ 648.9	\$ (1,362.7)	\$ 62.5

MYLAN N.V. AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements (Unaudited) - Continued

UNAUDITED CONDENSED CONSOLIDATING STATEMENT OF OPERATIONS
Three Months Ended September 30, 2015

<i>(In millions)</i>	Mylan N.V. (Parent Guarantor)	Mylan Inc. (Issuer)	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Revenues:						
Net sales	\$ —	\$ —	\$ —	\$ 2,676.2	\$ —	\$ 2,676.2
Other revenues	—	—	—	19.0	—	19.0
Total revenues	—	—	—	2,695.2	—	2,695.2
Cost of sales	—	—	—	1,379.9	—	1,379.9
Gross profit	—	—	—	1,315.3	—	1,315.3
Operating expenses:						
Research and development	—	—	—	174.8	—	174.8
Selling, general and administrative	—	193.9	—	343.2	—	537.1
Litigation settlements and other contingencies, net	—	—	—	2.3	—	2.3
Total operating expenses	—	193.9	—	520.3	—	714.2
(Losses) earnings from operations	—	(193.9)	—	795.0	—	601.1
Interest expense	30.4	49.4	—	15.3	—	95.1
Other expense, net	—	—	—	50.9	—	50.9
Earnings from operations	(30.4)	(243.3)	—	728.8	—	455.1
Income tax (benefit) provision	—	(46.4)	—	72.9	—	26.5
Earnings of equity interest subsidiaries	459.0	643.0	—	—	(1,102.0)	—
Net earnings	428.6	446.1	—	655.9	(1,102.0)	428.6
Net earnings attributable to noncontrolling interest	—	—	—	—	—	—
Net earnings attributable to Mylan N.V. ordinary shareholders	\$ 428.6	\$ 446.1	\$ —	\$ 655.9	\$ (1,102.0)	\$ 428.6

MYLAN N.V. AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements (Unaudited) - Continued

UNAUDITED CONDENSED CONSOLIDATING STATEMENT OF OPERATIONS
Nine Months Ended September 30, 2015

<i>(In millions)</i>	Mylan N.V. (Parent Guarantor)	Mylan Inc. (Issuer)	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Revenues:						
Net sales	\$ —	\$ —	\$ —	\$ 6,887.8	\$ —	\$ 6,887.8
Other revenues	—	—	—	50.8	—	50.8
Total revenues	—	—	—	6,938.6	—	6,938.6
Cost of sales	—	—	—	3,785.1	—	3,785.1
Gross profit	—	—	—	3,153.5	—	3,153.5
Operating expenses:						
Research and development	—	—	—	512.9	—	512.9
Selling, general and administrative	—	611.0	—	973.5	—	1,584.5
Litigation settlements and other contingencies, net	—	—	—	19.1	—	19.1
Total operating expenses	—	611.0	—	1,505.5	—	2,116.5
(Losses) earnings from operations	—	(611.0)	—	1,648.0	—	1,037.0
Interest expense	42.3	179.7	—	46.5	—	268.5
Other expense, net	—	—	—	71.4	—	71.4
(Loss) earnings before income taxes	(42.3)	(790.7)	—	1,530.1	—	697.1
Income tax (benefit) provision	—	(88.2)	—	132.2	—	44.0
Earnings of equity interest subsidiaries	695.4	1,391.3	—	—	(2,086.7)	—
Net earnings	653.1	688.8	—	1,397.9	(2,086.7)	653.1
Net earnings attributable to noncontrolling interest	(0.1)	—	—	(0.1)	0.1	(0.1)
Net earnings attributable to Mylan N.V. ordinary shareholders	\$ 653.0	\$ 688.8	\$ —	\$ 1,397.8	\$ (2,086.6)	\$ 653.0

MYLAN N.V. AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements (Unaudited) - Continued

UNAUDITED CONDENSED CONSOLIDATING STATEMENT OF COMPREHENSIVE EARNINGS
Three Months Ended September 30, 2016

<i>(In millions)</i>	Mylan N.V. (Parent Guarantor)	Mylan Inc. (Issuer)	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Net (loss) earnings	\$ (119.8)	\$ 362.6	\$ —	\$ 42.9	\$ (405.5)	\$ (119.8)
Other comprehensive earnings (loss), before tax:						
Foreign currency translation adjustment	290.6	1.5	—	289.0	(290.5)	290.6
Change in unrecognized gain (loss) and prior service cost related to defined benefit plans	0.1	0.2	—	(0.1)	(0.1)	0.1
Net unrecognized gain on derivatives in cash flow hedging relationships	22.8	2.3	—	20.5	(22.8)	22.8
Net unrecognized loss on derivatives in net investment hedging relationships	(10.4)	—	—	(10.4)	10.4	(10.4)
Net unrealized gain (loss) on marketable securities	21.5	21.5	—	(0.1)	(21.4)	21.5
Other comprehensive earnings (loss), before tax	324.6	25.5	—	298.9	(324.4)	324.6
Income tax provision	13.7	8.7	—	3.9	(12.6)	13.7
Other comprehensive earnings, net of tax	310.9	16.8	—	295.0	(311.8)	310.9
Comprehensive (loss) earnings	191.1	379.4	—	337.9	(717.3)	191.1
Comprehensive earnings attributable to the noncontrolling interest	—	—	—	—	—	—
Comprehensive earnings (loss) attributable to Mylan N.V. ordinary shareholders	\$ 191.1	\$ 379.4	\$ —	\$ 337.9	\$ (717.3)	\$ 191.1

MYLAN N.V. AND SUBSIDIARIES
Notes to Condensed Consolidated Financial Statements (Unaudited) - Continued
UNAUDITED CONDENSED CONSOLIDATING STATEMENT OF COMPREHENSIVE EARNINGS
Nine Months Ended September 30, 2016

<i>(In millions)</i>	Mylan N.V. (Parent Guarantor)	Mylan Inc. (Issuer)	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Net earnings	\$ 62.5	\$ 713.8	\$ —	\$ 648.9	\$ (1,362.7)	\$ 62.5
Other comprehensive earnings (loss), before tax:						
Foreign currency translation adjustment	645.5	—	—	645.5	(645.5)	645.5
Change in unrecognized (loss) gain and prior service cost related to defined benefit plans	(0.3)	0.2	—	(0.6)	0.4	(0.3)
Net unrecognized (loss) gain on derivatives in cash flow hedging relationships	(22.9)	(49.8)	—	26.9	22.9	(22.9)
Net unrealized loss on derivatives in net investment hedging relationships	(10.4)	—	—	(10.4)	10.4	(10.4)
Net unrealized gain on marketable securities	32.5	31.5	—	0.9	(32.4)	32.5
Other comprehensive earnings (loss), before tax	644.4	(18.1)	—	662.3	(644.2)	644.4
Income tax provision (benefit)	0.5	(6.8)	—	6.3	0.5	0.5
Other comprehensive earnings (loss), net of tax	643.9	(11.3)	—	656.0	(644.7)	643.9
Comprehensive earnings (loss)	706.4	702.5	—	1,304.9	(2,007.4)	706.4
Comprehensive earnings attributable to the noncontrolling interest	—	—	—	—	—	—
Comprehensive earnings attributable to Mylan N.V. ordinary shareholders	<u>\$ 706.4</u>	<u>\$ 702.5</u>	<u>\$ —</u>	<u>\$ 1,304.9</u>	<u>\$ (2,007.4)</u>	<u>\$ 706.4</u>

MYLAN N.V. AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements (Unaudited) - Continued

UNAUDITED CONDENSED CONSOLIDATING STATEMENT OF COMPREHENSIVE EARNINGS
Three Months Ended September 30, 2015

<i>(In millions)</i>	Mylan N.V. (Parent Guarantor)	Mylan Inc. (Issuer)	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Net (loss) earnings	\$ 428.6	\$ 446.1	\$ —	\$ 655.9	\$ (1,102.0)	\$ 428.6
Other comprehensive loss, before tax:						
Foreign currency translation adjustment	(148.4)	—	—	(148.4)	148.4	(148.4)
Change in unrecognized gain and prior service cost related to defined benefit plans	—	0.2	—	(0.2)	—	—
Net unrecognized gain (loss) on derivatives	(84.2)	(63.9)	—	(20.3)	84.2	(84.2)
Net unrealized loss on marketable securities	(0.2)	—	—	(0.2)	0.2	(0.2)
Other comprehensive loss, before tax	(232.8)	(63.7)	—	(169.1)	232.8	(232.8)
Income tax benefit	(30.8)	(23.8)	—	(7.0)	30.8	(30.8)
Other comprehensive loss, net of tax	(202.0)	(39.9)	—	(162.1)	202.0	(202.0)
Comprehensive earnings	226.6	406.2	—	493.8	(900.0)	226.6
Comprehensive earnings attributable to the noncontrolling interest	—	—	—	—	—	—
Comprehensive earnings attributable to Mylan N.V. ordinary shareholders	\$ 226.6	\$ 406.2	\$ —	\$ 493.8	\$ (900.0)	\$ 226.6

MYLAN N.V. AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements (Unaudited) - Continued

UNAUDITED CONDENSED CONSOLIDATING STATEMENT OF COMPREHENSIVE EARNINGS
Nine Months Ended September 30, 2015

<i>(In millions)</i>	Mylan N.V. (Parent Guarantor)	Mylan Inc. (Issuer)	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Net (loss) earnings	\$ 653.1	\$ 688.8	\$ —	\$ 1,397.9	\$ (2,086.7)	\$ 653.1
Other comprehensive earnings (loss), before tax:						
Foreign currency translation adjustment	(526.7)	—	—	(526.7)	526.7	(526.7)
Change in unrecognized gain and prior service cost related to defined benefit plans	3.9	0.3	—	3.6	(3.9)	3.9
Net unrecognized loss on derivatives	(67.4)	(57.7)	—	(9.7)	67.4	(67.4)
Net unrealized loss on marketable securities	(0.4)	—	—	(0.4)	0.4	(0.4)
Other comprehensive loss, before tax	(590.6)	(57.4)	—	(533.2)	590.6	(590.6)
Income tax benefit	(24.0)	(21.1)	—	(2.9)	24.0	(24.0)
Other comprehensive loss, net of tax	(566.6)	(36.3)	—	(530.3)	566.6	(566.6)
Comprehensive earnings	86.5	652.5	—	867.6	(1,520.1)	86.5
Comprehensive earnings attributable to the noncontrolling interest	(0.1)	—	—	(0.1)	0.1	(0.1)
Comprehensive earnings attributable to Mylan N.V. ordinary shareholders	\$ 86.4	\$ 652.5	\$ —	\$ 867.5	\$ (1,520.0)	\$ 86.4

MYLAN N.V. AND SUBSIDIARIES
Notes to Condensed Consolidated Financial Statements (Unaudited) - Continued
UNAUDITED CONDENSED CONSOLIDATING BALANCE SHEET
As of September 30, 2016

<i>(In millions)</i>	Mylan N.V. (Parent Guarantor)	Mylan Inc. (Issuer)	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
ASSETS						
Assets						
Current assets:						
Cash and cash equivalents	\$ —	\$ 33.2	\$ —	\$ 1,223.4	\$ —	\$ 1,256.6
Accounts receivable, net	—	7.4	—	3,091.5	—	3,098.9
Inventories	—	—	—	2,687.5	—	2,687.5
Intercompany receivables	165.8	420.8	—	10,019.0	(10,605.6)	—
Prepaid expenses and other current assets	1.5	256.7	—	663.9	—	922.1
Total current assets	167.3	718.1	—	17,685.3	(10,605.6)	7,965.1
Property, plant and equipment, net	—	331.3	—	1,952.9	—	2,284.2
Investments in subsidiaries	17,755.5	9,912.6	—	—	(27,668.1)	—
Intercompany notes and interest receivable	2,268.9	10,054.4	—	18.7	(12,342.0)	—
Intangible assets, net	—	—	—	15,613.4	—	15,613.4
Goodwill	—	17.1	—	9,616.0	—	9,633.1
Other assets	—	97.1	—	945.6	—	1,042.7
Total assets	\$ 20,191.7	\$ 21,130.6	\$ —	\$ 45,831.9	\$ (50,615.7)	\$ 36,538.5
LIABILITIES AND EQUITY						
Liabilities						
Current liabilities:						
Trade accounts payable	\$ —	\$ 30.0	\$ —	\$ 1,224.9	\$ —	\$ 1,254.9
Short-term borrowings	—	—	—	54.2	—	54.2
Income taxes payable	—	33.2	—	131.3	—	164.5
Current portion of long-term debt and other long-term obligations	—	2,188.2	—	2,246.4	—	4,434.6
Intercompany payables	420.8	10,184.8	—	—	(10,605.6)	—
Other current liabilities	514.3	309.2	—	2,822.3	—	3,645.8
Total current liabilities	935.1	12,745.4	—	6,479.1	(10,605.6)	9,554.0
Long-term debt	7,427.8	3,735.7	—	165.1	—	11,328.6
Intercompany notes payable	—	1,466.5	—	10,875.4	(12,341.9)	—
Other long-term obligations	—	55.3	—	3,771.8	—	3,827.1
Total liabilities	8,362.9	18,002.9	—	21,291.4	(22,947.5)	24,709.7
Total equity	11,828.8	3,127.7	—	24,540.5	(27,668.2)	11,828.8
Total liabilities and equity	\$ 20,191.7	\$ 21,130.6	\$ —	\$ 45,831.9	\$ (50,615.7)	\$ 36,538.5

MYLAN N.V. AND SUBSIDIARIES
Notes to Condensed Consolidated Financial Statements (Unaudited) - Continued
**UNAUDITED CONDENSED CONSOLIDATING BALANCE SHEET
As of December 31, 2015**

<i>(In millions)</i>	Mylan N.V. (Parent Guarantor)	Mylan Inc. (Issuer)	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
ASSETS						
Assets						
Current assets:						
Cash and cash equivalents	\$ —	\$ 870.5	\$ —	\$ 365.5	\$ —	\$ 1,236.0
Accounts receivable, net	—	14.4	—	2,674.7	—	2,689.1
Inventories	—	—	—	1,951.0	—	1,951.0
Intercompany receivables	1,097.5	283.2	—	8,936.4	(10,317.1)	—
Other current assets	0.3	244.8	—	351.5	—	596.6
Total current assets	1,097.8	1,412.9	—	14,279.1	(10,317.1)	6,472.7
Property, plant and equipment, net	—	324.4	—	1,659.5	—	1,983.9
Investments in subsidiaries	9,947.7	8,007.7	—	—	(17,955.4)	—
Intercompany notes and interest receivable	—	9,704.4	—	18.7	(9,723.1)	—
Intangible assets, net	—	0.5	—	7,221.4	—	7,221.9
Goodwill	—	17.1	—	5,363.0	—	5,380.1
Other assets	—	135.3	—	1,073.8	—	1,209.1
Total assets	\$ 11,045.5	\$ 19,602.3	\$ —	\$ 29,615.5	\$ (37,995.6)	\$ 22,267.7
LIABILITIES AND EQUITY						
Liabilities						
Current liabilities:						
Trade accounts payable	\$ —	\$ 33.5	\$ —	\$ 1,076.1	\$ —	\$ 1,109.6
Short-term borrowings	—	—	—	1.3	—	1.3
Income taxes payable	—	—	—	92.4	—	92.4
Current portion of long-term debt and other long-term obligations	—	1,010.1	—	66.9	—	1,077.0
Intercompany payables	283.2	10,033.9	—	—	(10,317.1)	—
Other current liabilities	2.0	320.1	—	1,519.8	—	1,841.9
Total current liabilities	285.2	11,397.6	—	2,756.5	(10,317.1)	4,122.2
Long-term debt	994.5	5,298.4	—	2.7	—	6,295.6
Intercompany notes payable	—	18.7	—	9,704.4	(9,723.1)	—
Other long-term obligations	—	122.2	—	1,961.9	—	2,084.1
Total liabilities	1,279.7	16,836.9	—	14,425.5	(20,040.2)	12,501.9
Total equity	9,765.8	2,765.4	—	15,190.0	(17,955.4)	9,765.8
Total liabilities and equity	\$ 11,045.5	\$ 19,602.3	\$ —	\$ 29,615.5	\$ (37,995.6)	\$ 22,267.7

MYLAN N.V. AND SUBSIDIARIES
Notes to Condensed Consolidated Financial Statements (Unaudited) - Continued
UNAUDITED CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS
Nine Months Ended September 30, 2016

<i>(In millions)</i>	Mylan N.V. (Parent Guarantor)	Mylan Inc. (Issuer)	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Cash flows from operating activities:						
Net cash (used in) provided by operating activities	\$ (1.6)	\$ 724.7	\$ —	\$ 974.6	\$ —	\$ 1,697.7
Cash flows from investing activities:						
Capital expenditures	—	(64.8)	—	(174.7)	—	(239.5)
Change in restricted cash	—	(49.5)	—	(1.0)	—	(50.5)
Purchase of marketable securities	—	(4.1)	—	(18.7)	—	(22.8)
Cash paid for Meda's unconditional deferred payment	—	—	—	(308.0)	—	(308.0)
Proceeds from sale of marketable securities	—	—	—	15.8	—	15.8
Cash paid for acquisitions, net	(5,278.5)	(931.3)	—	58.1	—	(6,151.7)
Settlement of acquisition-related foreign currency derivatives	(128.6)	—	—	—	—	(128.6)
Investments in affiliates	—	(43.6)	—	—	43.6	—
Dividends from affiliates	135.6	—	—	—	(135.6)	—
Loans to affiliates	(7,971.9)	(417.0)	—	(726.3)	9,115.2	—
Repayments of loans from affiliates	6,838.3	442.6	—	1,031.3	(8,312.2)	—
Payments for product rights and other, net	—	(0.4)	—	(195.9)	—	(196.3)
Net cash (used in) provided by investing activities	(6,405.1)	(1,068.1)	—	(319.4)	711.0	(7,081.6)
Cash flows from financing activities:						
Payments of financing fees	(95.3)	—	—	—	—	(95.3)
Change in short-term borrowings, net	—	—	—	48.6	—	48.6
Proceeds from issuance of long-term debt	6,478.8	—	—	41.0	—	6,519.8
Payments of long-term debt	—	(500.0)	—	(567.0)	—	(1,067.0)
Proceeds from exercise of stock options	11.1	—	—	—	—	11.1
Taxes paid related to net share settlement of equity awards	(12.9)	—	—	—	—	(12.9)
Contingent consideration payments	—	—	—	(15.5)	—	(15.5)
Capital contribution from affiliates	—	—	—	43.6	(43.6)	—
Capital payments to affiliates	—	—	—	(135.6)	135.6	—
Payments on borrowings from affiliates	—	(1,361.8)	—	(6,950.4)	8,312.2	—
Proceeds from borrowings from affiliates	25.0	1,380.8	—	7,709.4	(9,115.2)	—
Acquisition of noncontrolling interest	—	—	—	(1.0)	—	(1.0)
Other items, net	—	(12.9)	—	14.5	—	1.6
Net cash provided by financing activities	6,406.7	(493.9)	—	187.6	(711.0)	5,389.4
Effect on cash of changes in exchange rates	—	—	—	15.1	—	15.1
Net (decrease) increase in cash and cash equivalents	—	(837.3)	—	857.9	—	20.6
Cash and cash equivalents — beginning of period	—	870.5	—	365.5	—	1,236.0
Cash and cash equivalents — end of period	\$ —	\$ 33.2	\$ —	\$ 1,223.4	\$ —	\$ 1,256.6
Supplemental disclosures of cash flow information —						
Non-cash transactions:						
Ordinary shares issued for acquisition	\$ 1,281.7	\$ —	\$ —	\$ —	\$ —	\$ 1,281.7

MYLAN N.V. AND SUBSIDIARIES
Notes to Condensed Consolidated Financial Statements (Unaudited) - Continued
UNAUDITED CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS
Nine Months Ended September 30, 2015

<i>(In millions)</i>	Mylan N.V. (Parent Guarantor)	Mylan Inc. (Issuer)	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Cash flows from operating activities:						
Net cash (used in) provided by operating activities	\$ —	\$ (1,417.1)	\$ —	\$ 2,773.6	\$ —	\$ 1,356.5
Cash flows from investing activities:						
Capital expenditures	—	(55.1)	—	(152.2)	—	(207.3)
Change in restricted cash	—	—	—	25.9	—	25.9
Purchase of marketable securities	—	(29.3)	—	(29.8)	—	(59.1)
Proceeds from sale of marketable securities	—	—	—	29.4	—	29.4
Investments in affiliates	—	(289.4)	—	—	289.4	—
Loans to affiliates	(39.5)	(4,250.1)	—	(5,657.3)	9,946.9	—
Repayments of loans from affiliates	—	240.6	—	22.5	(263.1)	—
Payments for product rights and other, net	—	—	—	(428.2)	—	(428.2)
Net cash used in investing activities	(39.5)	(4,383.3)	—	(6,189.7)	9,973.2	(639.3)
Cash flows from financing activities:						
Payments of financing fees	(89.1)	(25.6)	—	—	—	(114.7)
Change in short-term borrowings, net	—	—	—	(329.7)	—	(329.7)
Proceeds from convertible note hedge	—	1,970.8	—	—	—	1,970.8
Proceeds from issuance of long-term debt	—	2,390.0	—	—	—	2,390.0
Payments of long-term debt	—	(4,334.1)	—	—	—	(4,334.1)
Proceeds from exercise of stock options	39.5	53.3	—	—	—	92.8
Taxes paid related to net share settlement of equity awards	—	(25.8)	—	(5.9)	—	(31.7)
Capital contribution from affiliates	—	—	—	289.4	(289.4)	—
Payments on borrowings from affiliates	—	(22.5)	—	(240.6)	263.1	—
Proceeds from borrowings from affiliates	89.1	5,696.8	—	4,161.0	(9,946.9)	—
Acquisition of noncontrolling interest	—	—	—	(11.7)	—	(11.7)
Other items, net	1.3	48.3	—	—	—	49.6
Net cash provided by financing activities	40.8	5,751.2	—	3,862.5	(9,973.2)	(318.7)
Effect on cash of changes in exchange rates	—	—	—	(37.0)	—	(37.0)
Net increase (decrease) in cash and cash equivalents	1.3	(49.2)	—	409.4	—	361.5
Cash and cash equivalents — beginning of period	0.1	112.9	—	112.5	—	225.5
Cash and cash equivalents — end of period	\$ 1.4	\$ 63.7	\$ —	\$ 521.9	\$ —	\$ 587.0
Supplemental disclosures of cash flow information —						
Non-cash transactions:						
Ordinary shares issued for acquisition	\$ 6,305.8	\$ —	\$ —	\$ —	\$ —	\$ 6,305.8

17. Income Taxes

The Company computes its provision for income taxes using an estimated effective tax rate for the full year with consideration of certain discrete tax items which occurred within the interim period. During the three months ended September 30, 2016, the Company received approvals from the relevant Indian regulatory authorities to legally merge its wholly owned subsidiary, Jai Pharma Limited, into Mylan Laboratories Limited. The merger resulted in the recognition of a deferred tax asset of \$150 million for the tax deductible goodwill in excess of the book goodwill with a corresponding benefit to income tax provision for the three and nine months ended September 30, 2016. In addition to the benefit recognized for the merger of the aforementioned entities, the effective tax rate for the three and nine months ended September 30, 2016 versus the three and nine months ended September 30, 2015 was also impacted by the Medicaid Drug Rebate Program Settlement.

18. Contingencies

Legal Proceedings

The Company is involved in various disputes, governmental and/or regulatory inquiries and proceedings and litigation matters that arise from time to time, some of which are described below. The Company is also party to certain litigation matters including those for which Merck KGaA or Strides Arcolab has agreed to indemnify the Company, pursuant to the respective sale and purchase agreements.

While the Company believes that it has meritorious defenses with respect to the claims asserted against it and intends to vigorously defend its position, the process of resolving matters through litigation or other means is inherently uncertain, and it is not possible to predict the ultimate resolution of any such proceeding. It is possible that an unfavorable resolution of any of the matters described below, or the inability or denial of Merck KGaA, Strides Arcolab, or another indemnitor or insurer to pay an indemnified claim, could have a material effect on the Company's business, financial condition, results of operations, cash flows and/or ordinary share price. Unless otherwise disclosed below, the Company is unable to predict the outcome of the respective litigation or to provide an estimate of the range of reasonably possible losses. Legal costs are recorded as incurred and are classified in SG&A in the Company's Condensed Consolidated Statements of Operations.

Lorazepam and Clorazepate

On June 1, 2005, a jury verdict was rendered against Mylan, MPI, and co-defendants Cambrex Corporation and Gyma Laboratories in the U.S. District Court for the District of Columbia in the amount of approximately \$12.0 million, which has been accrued for by the Company. The jury found that Mylan and its co-defendants willfully violated Massachusetts, Minnesota and Illinois state antitrust laws in connection with API supply agreements entered into between the Company and its API supplier (Cambrex) and broker (Gyma) for two drugs, Lorazepam and Clorazepate, in 1997, and subsequent price increases on these drugs in 1998. The case was brought by four health insurers who opted out of earlier class action settlements agreed to by the Company in 2001 and represents the last remaining antitrust claims relating to Mylan's 1998 price increases for Lorazepam and Clorazepate. Following the verdict, the Company filed a motion for judgment as a matter of law, a motion for a new trial, a motion to dismiss two of the insurers and a motion to reduce the verdict. On December 20, 2006, the Company's motion for judgment as a matter of law and motion for a new trial were denied and the remaining motions were denied on January 24, 2008. In post-trial filings, the plaintiffs requested that the verdict be trebled and that request was granted on January 24, 2008. On February 6, 2008, a judgment was issued against Mylan and its co-defendants in the total amount of approximately \$69.0 million, which, in the case of three of the plaintiffs, reflects trebling of the compensatory damages in the original verdict (approximately \$11.0 million in total) and, in the case of the fourth plaintiff, reflects their amount of the compensatory damages in the original jury verdict plus doubling this compensatory damage award as punitive damages assessed against each of the defendants (approximately \$58.0 million in total), some or all of which may be subject to indemnification obligations by Mylan. Plaintiffs are also seeking an award of attorneys' fees and litigation costs in unspecified amounts and prejudgment interest of approximately \$8.0 million. The Company and its co-defendants appealed to the U.S. Court of Appeals for the D.C. Circuit and have challenged the verdict as legally erroneous on multiple grounds. The appeals were held in abeyance pending a ruling on the motion for prejudgment interest, which has been granted. Mylan has contested this ruling along with the liability finding and other damages awards as part of its appeal, which was filed in the Court of Appeals for the D.C. Circuit. On January 18, 2011, the Court of Appeals issued a judgment remanding the case to the District Court for further proceedings based on lack of diversity with respect to certain plaintiffs. On June 13, 2011, Mylan filed a certiorari petition with the U.S. Supreme Court requesting review of the judgment of the D.C. Circuit. On October 3, 2011, the certiorari petition was denied. The case is now proceeding before the District Court. On January 14, 2013, following limited court-ordered jurisdictional discovery, the plaintiffs filed a fourth amended complaint containing additional factual averments with respect to the diversity

MYLAN N.V. AND SUBSIDIARIES**Notes to Condensed Consolidated Financial Statements (Unaudited) - Continued**

of citizenship of the parties, along with a motion to voluntarily dismiss 775 (of 1,387) self-funded customers whose presence would destroy the District Court's diversity jurisdiction. The plaintiffs also moved for a remittitur (reduction) of approximately \$8.1 million from the full damages award. Mylan's brief in response to the new factual averments in the complaint was filed on February 13, 2013. On July 29, 2014, the court granted both plaintiffs' motion to amend the complaint and their motion to dismiss 775 self-funded customers.

In connection with the Company's appeal of the judgment, the Company submitted a surety bond underwritten by a third-party insurance company in the amount of \$74.5 million in February 2008. On May 30, 2012, the District Court ordered the amount of the surety bond reduced to \$66.6 million.

Pricing and Medicaid Litigation

Dey L.P. (now known as Mylan Specialty L.P. and herein as "Mylan Specialty"), a wholly owned subsidiary of the Company, was named as a defendant in several class actions brought by consumers and third-party payors. Mylan Specialty reached a settlement of these class actions, which was approved by the court and all claims have been dismissed. Additionally, a complaint was filed under seal by a plaintiff on behalf of the United States of America against Mylan Specialty in August 1997. In August 2006, the Government filed its complaint-in-intervention and the case was unsealed in September 2006. The Government asserted that Mylan Specialty was jointly liable with a co-defendant and sought recovery of alleged overpayments, together with treble damages, civil penalties and equitable relief. Mylan Specialty completed a settlement of this action in December 2010. These cases all have generally alleged that Mylan Specialty falsely reported certain price information concerning certain drugs marketed by Mylan Specialty, that Mylan Specialty caused false claims to be made to Medicaid and to Medicare, and that Mylan Specialty caused Medicaid and Medicare to make overpayments on those claims.

Under the terms of the purchase agreement with Merck KGaA, Mylan is fully indemnified for the claims in the preceding paragraph and Merck KGaA is entitled to any income tax benefit the Company realizes for any deductions of amounts paid for such pricing litigation. Under the indemnity, Merck KGaA is responsible for all settlement and legal costs, and, as such, these settlements had no impact on the Company's Consolidated Statements of Operations. At September 30, 2016, the Company has accrued approximately \$63.3 million in other current liabilities, which represents its estimate of the remaining amount of anticipated income tax benefits due to Merck KGaA. We are not aware of any outstanding claims related to Merck KGaA.

Modafinil Antitrust Litigation and FTC Inquiry

Beginning in April 2006, Mylan and four other drug manufacturers have been named as defendants in civil lawsuits filed in or transferred to the U.S. District Court for the Eastern District of Pennsylvania by a variety of plaintiffs purportedly representing direct and indirect purchasers of the drug modafinil and in a lawsuit filed by Apotex, Inc., a manufacturer of generic drugs. These actions allege violations of federal antitrust and state laws in connection with the generic defendants' settlement of patent litigation with Cephalon relating to modafinil. Discovery has closed. On June 23, 2014, the court granted the defendants' motion for partial summary judgment dismissing plaintiffs' claims that the defendants had engaged in an overall conspiracy to restrain trade (and denied the corresponding plaintiffs' motion). On January 28, 2015, the District Court denied the defendants' summary judgment motions based on factors identified in the Supreme Court's *Actavis* decision. In an order of June 1, 2015, vacated and reissued on June 11, 2015, the District Court denied the indirect purchaser plaintiffs' motion for class certification. The indirect purchaser plaintiffs filed a petition for leave to appeal the certification decision, which was denied by the Court of Appeals for the Third Circuit on December 21, 2015. On July 27, 2015, the District Court granted the direct purchaser plaintiffs' motion for class certification. On October 9, 2015, the Third Circuit granted defendants' petition for leave to appeal the class certification decision. On October 16, 2015, defendants filed a motion to stay the liability trial, which had been set to begin on February 2, 2016, with the District Court pending the appeal of the decision to certify the direct purchaser class; this motion was denied on December 17, 2015. On December 17, 2015, the District Court approved the form and manner of notice to the certified class of direct purchasers; the notice was subsequently issued to the class. On December 21, 2015, the defendants filed a motion to stay with the Court of Appeals for the Third Circuit, which was granted on January 25, 2016; the trial is now stayed and the case has been placed in suspense. The appeal was fully briefed on April 28, 2016. Oral arguments on the appeal took place on July 12, 2016. On September 13, 2016, the Third Circuit reversed the district court's certification order and remanded for further proceedings. On October 14, 2016 direct purchaser plaintiffs filed a petition seeking rehearing. On October 31, 2016 the petition seeking rehearing was denied. On March 24, 2015, Mylan reached a settlement in principle with the putative indirect purchasers, and on November 20, 2015, Mylan entered into a settlement agreement with the putative indirect purchasers. Plaintiffs have not yet moved for preliminary approval of that settlement. At September 30, 2016, the Company has accrued approximately \$16.0 million related to this settlement.

MYLAN N.V. AND SUBSIDIARIES**Notes to Condensed Consolidated Financial Statements (Unaudited) - Continued**

On June 29, 2015, the City of Providence, Rhode Island filed suit in the District of Rhode Island against the same parties named as defendants in litigation pending in the Eastern District of Pennsylvania, including Mylan, asserting state law claims based on the same underlying allegations. All defendants, including Mylan, moved to dismiss the suit on October 15, 2015 and the case was subsequently settled.

On July 10, 2015, the Louisiana Attorney General filed in the 19th Judicial District Court in Louisiana a petition against Mylan and three other drug manufacturers asserting state law claims based on the same underlying allegations as those made in litigation pending in the Eastern District of Pennsylvania. The petition was filed by the State of Louisiana purportedly in its capacity as an indirect purchaser. On May 16, 2016, the Judicial District Court deferred Mylan's declinatory exception of no personal jurisdiction and its peremptory exception of prescription, and granted in part and denied in part Mylan's peremptory exceptions of no cause of action and no right of action. On June 30, 2016, the plaintiff filed a supplemental and amended petition. The defendants filed a motion to strike and joint peremptory exceptions to the amended petition, which remain pending. On July 21, 2016, the plaintiff filed in the First Circuit Court of Appeal its application for a supervisory writ regarding the granting of defendant's exceptions, which the defendants have opposed. The appeal was denied on October 31, 2016. On April 20, 2016, the State of Louisiana filed a motion to consolidate the pending action with four other actions against other pharmaceutical manufacturers concerning products not related to modafinil, which Mylan opposed. On June 27, 2016, the Judicial Court declined to consolidate Mylan's case with the other four actions, with leave to renew the consolidation request after filing the above-referenced amended petition. On July 21, 2016, the plaintiff filed a motion to reurge consolidation. Subsequently, the action to which plaintiff seeks to join Mylan was stayed, resulting in a stay of consolidation motion.

On July 28, 2016, United Healthcare filed a complaint against Mylan and four other drug manufacturers in the United States District of Minnesota, asserting state law claims based on the same underlying allegations as those made in litigation pending in the Eastern District of Pennsylvania. Mylan's response deadline is November 30, 2016.

In addition, by letter dated July 11, 2006, Mylan was notified by the U.S. Federal Trade Commission ("FTC") of an investigation relating to the settlement of the modafinil patent litigation. In its letter, the FTC requested certain information from Mylan, MPI and Mylan Technologies, Inc. pertaining to the patent litigation and the settlement thereof. On March 29, 2007, the FTC issued a subpoena, and on April 26, 2007, the FTC issued a civil investigative demand to Mylan, requesting additional information from the Company relating to the investigation. Mylan has cooperated fully with the government's investigation and completed all requests for information. On February 13, 2008, the FTC filed a lawsuit against Cephalon in the U.S. District Court for the District of Columbia and the case was subsequently transferred to the U.S. District Court for the Eastern District of Pennsylvania. On July 1, 2010, the FTC issued a third party subpoena to Mylan, requesting documents in connection with its lawsuit against Cephalon. Mylan has responded to the subpoena. The lawsuit against Cephalon settled and a Stipulated Order for Permanent Injunction and Equitable Monetary Relief was entered by the Court on June 17, 2015.

Pioglitazone

Beginning in December 2013, Mylan, Takeda, and several other drug manufacturers have been named as defendants in civil lawsuits consolidated in the U.S. District Court for the Southern District of New York by plaintiffs which purport to represent indirect purchasers of branded or generic Actos® and Actoplus Met®. These actions allege violations of state and federal competition laws in connection with the defendants' settlements of patent litigation in 2010 relating to Actos and Actoplus Met®. Plaintiffs filed an amended complaint on August 22, 2014. Mylan and the other defendants filed motions to dismiss the amended complaint on October 10, 2014. Two additional complaints were subsequently filed by plaintiffs purporting to represent classes of direct purchasers of branded or generic Actos® and Actoplus Met®. On September 23, 2015, the District Court granted defendants' motions to dismiss the indirect purchasers amended complaints with prejudice. The indirect purchasers filed a notice of appeal on October 22, 2015; however they have since abandoned and dismissed their appeal of the District Court's dismissal of claims asserted against Mylan. The putative direct purchaser class filed an amended complaint on January 8, 2016. Defendants' motion to dismiss was filed on January 28, 2016 and the briefing has been completed. The case has been stayed pending the resolution of the indirect purchasers' appeal against the defendants remaining in that case.

Shareholders Class Action

On June 11, 2015, City of Riviera Beach General Employees Retirement System and Doris Arnold (collectively, the "plaintiffs") filed a purported class action complaint against Mylan and directors of Mylan Inc. (the "Directors") in the Washington County, Pennsylvania, Court of Common Pleas (the "Pennsylvania Court"), on behalf of certain former shareholders of Mylan Inc. The complaint alleged both breach of fiduciary duty by the Directors and breach of contract by

MYLAN N.V. AND SUBSIDIARIES**Notes to Condensed Consolidated Financial Statements (Unaudited) - Continued**

Mylan and the Directors, relating to certain public disclosures made in connection with the EPD Transaction and the organization of, and Call Option Agreement with, the Foundation. The plaintiffs asked the Pennsylvania Court to: find that the Directors breached their fiduciary duties and that Mylan and the Directors breached the purported contract, rescind the vote of Mylan Inc.'s former shareholders approving the EPD Transaction, award compensatory damages and award Plaintiffs their costs relating to the lawsuit. On June 22, 2015, Mylan and the Directors removed the case to the U.S. District Court for the Western District of Pennsylvania (the "District Court"). The plaintiffs filed an amended complaint in the District Court on July 10, 2015, that included the same basic causes of action and requested relief, dropped allegations against some of the Directors named in the original complaint and asserted the breach of contract claim not on behalf of a purported class of former shareholders of Mylan Inc. but on behalf of a purported subclass of such shareholders who held shares of Mylan continuously for a specified period following consummation of the EPD Transaction. On July 21, 2015, a second purported class action complaint against the same defendants, asserting the same basic claims and requesting the same basic relief on behalf of the same purported class and subclass, was filed by a different plaintiff in the District Court. On August 28, 2015, the District Court consolidated the three actions, and, on September 4, 2015, the plaintiffs in the consolidated action filed a consolidated amended complaint (the "Consolidated Amended Complaint") against the same defendants, asserting the same basic claims and requesting the same basic relief on behalf of the same purported class and subclass, but asserting the breach of contract claim against only Mylan. On September 30, 2015, two of the plaintiffs in the consolidated action filed a motion for partial summary judgment, on the breach of contract claim against Mylan (the "Motion for Partial Summary Judgment"). On October 23, 2015, the District Court approved the voluntary dismissal of a third purported class action, commenced on August 28, 2015 against Mylan and the Directors, alleging federal securities and breach of contract claims against all defendants and breach of fiduciary duty claims against the Directors, all arising out of the same basic alleged facts and requesting the same basic relief on behalf of certain former shareholders of Mylan Inc. On November 25, 2015, the defendants filed a Motion to Dismiss the Consolidated Amended Complaint, and Mylan filed an Opposition to the Motion for Partial Summary Judgment and a Motion to Deny Summary Judgment. On December 21, 2015, the District Court consolidated the action with a fourth purported class action, commenced on November 24, 2015 by, among others, the plaintiff in the third action, against the same defendants, alleging only breach of contract arising out of the same basic alleged facts, and requesting the same basic relief on behalf of certain former shareholders of Mylan Inc. In consolidating the actions, the District Court ordered, among other things, that the Consolidated Amended Complaint would remain the operative complaint in the consolidated action and that the Motion for Partial Summary Judgment and Motion to Dismiss were not disturbed by the consolidation. A Report and Recommendation was issued by the Magistrate Judge on May 10, 2016, recommending to the District Court that the defendants' Motion to Dismiss the plaintiffs' Consolidated Amended Complaint be granted and that the case be dismissed with prejudice. The Magistrate Judge further recommended that the District Court deny the plaintiffs' Motion for Partial Summary Judgment as moot. Briefing on the plaintiffs' objections to the Report and Recommendation was completed on June 7, 2016. The District Court adopted the Report and Recommendation of the Magistrate Judge on August 12, 2016, dismissing the case with prejudice.

SEC Investigation

On September 10, 2015, Mylan N.V. received a subpoena from the SEC seeking documents with regard to certain related party matters. Mylan is cooperating with the SEC in its investigation, and we are unable to predict the outcome of this matter at this time.

MDRP Classification of EpiPen® Auto-Injector and EpiPen Jr® Auto-Injector

In November 2014, the Company received a subpoena from the U.S. Department of Justice ("DOJ") related to the classification of the EpiPen® Auto-Injector for purposes of the Medicaid Drug Rebate Program. The Company complied with various information requests received from the DOJ pursuant to the subpoena. The question in the underlying matter was whether EpiPen® Auto-Injector was properly classified with the Centers for Medicaid and Medicare Services ("CMS") as a non-innovator drug under the applicable definition in the Medicaid Rebate statute and subject to the formula that is used to calculate rebates to Medicaid for such drugs. EpiPen® Auto-Injector has been classified with CMS as a non-innovator drug since before Mylan acquired the product in 2007 based on longstanding written guidance from the federal government. Beginning in August 2016, questions regarding the pricing of the EpiPen® Auto-Injector significantly increased and the Company received additional inquiries, including with respect to the classification of EpiPen® Auto-Injector for purposes of the Medicaid Drug Rebate Program, from committees and members of Congress and from other federal and state governmental agencies.

Subsequent to these developments, on October 7, 2016, Mylan agreed to the terms of a \$465 million settlement with the DOJ and other government agencies related to the classification of the EpiPen® Auto-Injector for purposes of the Medicaid Drug Rebate Program. The terms of the settlement do not provide for any finding of wrongdoing on the part of Mylan Inc. or

MYLAN N.V. AND SUBSIDIARIES**Notes to Condensed Consolidated Financial Statements (Unaudited) - Continued**

any of its affiliated entities or personnel. The settlement terms provide for resolution of all potential Medicaid rebate liability claims by federal and state governments as to whether the product should have been classified as an innovator drug for CMS purposes, and subject to a higher rebate formula. EpiPen® Auto-Injector will begin being classified as an innovator drug on April 1, 2017. In connection with the settlement, Mylan expects to enter into a corporate integrity agreement with the Office of Inspector General of the Department of Health and Human Services. Mylan continues to work with the government to finalize the settlement. During the third quarter of 2016, the Company recorded an accrual of \$465 million related to the DOJ settlement which is included in other current liabilities in the Condensed Consolidated Balance Sheets.

SEC Document Request

On October 7, 2016, Mylan received a document request from the Division of Enforcement at the SEC seeking communications with the CMS and documents concerning Mylan products sold and related to the Medicaid Drug Rebate Program, and any related complaints. Mylan intends to fully cooperate with the SEC's inquiry.

EpiPen® Auto-Injector Federal Securities Litigation

Purported class action complaints were filed in October 2016 against Mylan N.V., Mylan Inc. and certain of their directors and officers (collectively, for purposes of this paragraph, the "defendants") in the United States District Court for the Southern District of New York on behalf of certain purchasers of securities of Mylan N.V. and/or Mylan Inc. The complaints allege that defendants made false or misleading statements and omissions of purportedly material fact, in violation of federal securities laws, in connection with disclosures relating to Mylan N.V. and Mylan Inc.'s classification of their EpiPen® Auto-Injector as a non-innovator drug for purposes of the Medicaid Drug Rebate Program. The complaints seek damages, as well as the plaintiffs' fees and costs. We believe that the claims in these lawsuits are without merit and intend to defend against them vigorously.

EpiPen® Auto-Injector Israeli Securities Litigation

On October 13, 2016, a purported shareholder of Mylan N.V. filed a lawsuit, together with a motion to certify the lawsuit as a class action on behalf of certain Mylan N.V. shareholders, against Mylan N.V. and four of its officers (collectively, for purposes of this paragraph, the "defendants") in the Tel Aviv District Court (Economic Division). The plaintiff alleges that the defendants made false or misleading statements and omissions of purportedly material fact in Mylan N.V.'s reports to the Tel Aviv Stock Exchange regarding Mylan N.V.'s classification of its EpiPen® Auto-Injector for purposes of the Medicaid Drug Rebate Program, in violation of both U.S. and Israeli securities laws, the Israeli Companies Law and the Israeli Torts Ordinance. The plaintiff seeks damages, among other remedies. We believe that the claims in this lawsuit are without merit and intend to defend against them vigorously.

EpiPen® Auto-Injector Civil Litigation

Beginning in August 2016, Mylan Specialty L.P. and other Mylan-affiliated entities have been named as defendants in certain putative class action lawsuits relating to the pricing and/or marketing of the EpiPen® Auto-Injector. The plaintiffs in these suits assert violations of various state consumer protection laws, as well as common law claims, including claims for unjust enrichment, restitution, disgorgement and breach of the duty of good faith and fair dealing. Plaintiffs' claims include purported challenges to the prices charged for the EpiPen® Auto-Injector and/or the marketing of the product in packages containing two auto-injectors. We believe that the claims in these lawsuits are without merit and intend to defend against them vigorously.

EpiPen® Auto-Injector State AG Investigations

Beginning in August 2016, the Company and certain of its affiliated entities received subpoenas and informal requests from various state attorneys general seeking information and documents relating to the pricing and/or marketing of the EpiPen® Auto-Injector. The Company is cooperating with these inquiries.

EpiPen® Auto-Injector U.S. Congress/State Requests for Information and Documents

Mylan has also received several requests for information and documents from various Committees of the U.S. Congress and federal and state lawmakers concerning the marketing, distribution and sales of Mylan products. Mylan intends to engage with federal and state lawmakers as appropriate in response to their requests.

MYLAN N.V. AND SUBSIDIARIES**Notes to Condensed Consolidated Financial Statements (Unaudited) - Continued**

The Company believes that it has strong defenses to current and future potential civil litigation, as well as governmental investigations and enforcement proceedings, although it is reasonably possible that the Company may incur additional losses from these matters, the amount of which cannot be reasonably estimated at this time. In addition, the Company expects to incur additional legal and other professional service expenses associated with the EpiPen® Auto-Injector pricing matters in future periods and will recognize these expenses as services are received. The Company believes that the ultimate amount paid for these services and claims could have a material effect on the Company's business, consolidated financial condition, results of operations, cash flows and/or ordinary share price in future periods.

Drug Pricing Matters***Department of Justice/Connecticut Subpoenas***

On December 3, 2015, a subsidiary of Mylan N.V. received a subpoena from the Antitrust Division of the U.S. DOJ seeking information relating to the marketing, pricing, and sale of our generic Doxycycline products and any communications with competitors about such products.

On September 8, 2016, a subsidiary of Mylan N.V., as well as certain employees and a member of senior management, received subpoenas from the DOJ seeking additional information relating to the marketing, pricing and sale of our generic Cidofovir, Glipizide-metformin, Propranolol and Verapamil products and any communications with competitors about such products. Related search warrants also were executed. The Company is fully cooperating with the DOJ's inquiry.

On December 21, 2015, the Company received a subpoena and interrogatories from the Connecticut Office of the Attorney General seeking information relating to the marketing, pricing and sale of certain of the Company's generic products (including Doxycycline) and communications with competitors about such products. The Company is fully cooperating with Connecticut's inquiry.

United States District Court for the Eastern District of Pennsylvania and Rhode Island Litigation

Beginning in March 2016, sixteen putative class action complaints have been filed in the United States District Court for the Eastern District of Pennsylvania and one filed in the District of Rhode Island by indirect purchasers against Mylan Inc., Mylan Pharmaceuticals Inc. and other pharmaceutical manufacturers, alleging conspiracies to fix, raise, maintain and stabilize the prices of certain Doxycycline and Digoxin products and to allocate markets and customers for those products. In addition, three putative class action complaints have been filed in the Eastern District of Pennsylvania by direct purchasers against Mylan and other pharmaceutical manufacturers. The Judicial Panel on Multidistrict Litigation has established an MDL in the Eastern District of Pennsylvania, where the cases have been consolidated. Mylan and its subsidiary intend to deny liability and to defend these actions vigorously.

On September 21, 2016, a putative class action was filed in the United States District Court for the Eastern District of Pennsylvania by indirect purchasers against Mylan Inc. and other pharmaceutical manufacturers, alleging conspiracies to fix, maintain, and/or stabilize the price of certain Pravastatin products. Mylan intends to deny liability and to defend this action vigorously.

European Commission Proceedings***Perindopril***

On or around July 8, 2009, the European Commission (the "Commission") stated that it had initiated antitrust proceedings pursuant to Article 11(6) of Regulation No. 1/2003 and Article 2(1) of Regulation No. 773/2004 to explore possible infringement of Articles 81 and 82 EC and Articles 53 and 54 of the European Economic Area Agreement by Les Laboratoires Servier ("Servier") as well as possible infringement of Article 81 EC by the Company's Indian subsidiary, Mylan Laboratories Limited, and four other companies, each of which entered into agreements with Servier relating to the product Perindopril. On July 30, 2012, the Commission issued a Statement of Objections to Servier SAS, Servier Laboratories Limited, Les Laboratoires Servier, Adir, Biogaran, Krka, d.d. Novo mesto, Lupin Limited, Mylan Laboratories Limited, Mylan, Niche Generics Limited, Teva UK Limited, Teva Pharmaceutical Industries Ltd., Teva Pharmaceuticals Europe B.V. and Unichem Laboratories Limited. Mylan Inc. and Mylan Laboratories Limited filed responses to the Statement of Objections. On July 9, 2014, the Commission issued a decision finding that Mylan Laboratories Limited and Mylan, as well as the companies noted above (with the exception of Adir, a subsidiary of Servier), had violated European Union competition rules and fined Mylan

Notes to Condensed Consolidated Financial Statements (Unaudited) - Continued

Laboratories Limited approximately €17.2 million, including approximately €8.0 million jointly and severally with Mylan Inc. The Company paid approximately \$21.7 million related to this matter during the fourth quarter of 2014. In September 2014, the Company filed an appeal of the Commission's decision to the General Court of the European Union. The briefing on appeal is complete and we are awaiting the scheduling of the hearing date.

Citalopram

On March 19, 2010, Mylan and Generics [U.K.] Limited, a wholly owned subsidiary of the Company, received notice that the Commission had opened proceedings against Lundbeck with respect to alleged unilateral practices and/or agreements related to Citalopram in the European Economic Area. On July 25, 2012 a Statement of Objections was issued to Lundbeck, Merck KGaA, Generics [U.K.] Limited, Arrow, Resolution Chemicals, Xelia Pharmaceuticals, Alpharma, A.L. Industrier and Ranbaxy. Generics [U.K.] Limited filed a response to the Statement of Objections and vigorously defended itself against allegations contained therein. On June 19, 2013, the Commission issued a decision finding that Generics [U.K.] Limited, as well as the companies noted above, had violated European Union competition rules and fined Generics [U.K.] Limited approximately €7.8 million, jointly and severally with Merck KGaA. Generics [U.K.] Limited has appealed the Commission's decision to the General Court of the EU. Briefing on the appeal has been completed and a hearing took place on October 8, 2015. On September 8, 2016, the General Court dismissed all appeals against the European Commission's decision. Mylan has until November 18, 2016 to appeal the decision to European Court of Justice. The Company has accrued approximately \$8.6 million and \$9.8 million as of September 30, 2016 and December 31, 2015, respectively, related to this matter. It is reasonably possible that we will incur additional losses above the amount accrued but we cannot estimate a range of such reasonably possible losses at this time. There are no assurances, however, that settlements reached and/or adverse judgments received, if any, will not exceed amounts accrued. Generics [U.K.] Limited has also sought indemnification from Merck KGaA with respect to the €7.8 million portion of the fine for which Merck KGaA and Generics [U.K.] Limited were held jointly and severally liable. Merck KGaA has counterclaimed against Generics [U.K.] Limited seeking the same indemnification.

U.K. Competition and Markets Authority*Paroxetine*

On August 12, 2011, Generics [U.K.] Limited received notice that the Office of Fair Trading (subsequently changed to the Competition and Markets Authority (the "CMA")) was opening an investigation to explore the possible infringement of the Competition Act 1998 and Articles 101 and 102 of the Treaty on the Functioning of the European Union, with respect to alleged agreements related to Paroxetine. On April 19, 2013, a Statement of Objections was issued to Beecham Group plc, GlaxoSmithKline UK Limited, GlaxoSmithKline plc and SmithKline Beecham Limited (formerly, SmithKline Beecham plc) (together, "GlaxoSmithKline"), Generics [U.K.] Limited, Merck KGaA, Actavis UK Limited (formerly, Alpharma Limited), Xellia Pharmaceuticals ApS (formerly, Alpharma ApS) and Alpharma LLC (formerly, Zoetis Products LLC, Alpharma LLC, and Alpharma Inc.) (together, "Alpharma"), and Ivax LLC (formerly, Ivax Corporation) and Norton Healthcare Limited (which previously traded as Ivax Pharmaceuticals UK) (together, "Ivax"). Generics [U.K.] Limited filed a response to the Statement of Objections, defending itself against the allegations contained therein. The CMA issued a Supplementary Statement of Objections ("SSO") to the above-referenced parties on October 21, 2014 and a hearing with regard to the SSO took place on December 19, 2014. The CMA issued a decision on February 12, 2016, finding that GlaxoSmithKline, Generics [U.K.] Limited, Merck KGaA and Alpharma, were liable for infringing EU and U.K. competition rules. With respect to Merck KGaA and Generics [U.K.] Limited, the CMA issued a penalty of approximately £5.8 million, for which Merck KGaA is liable for the entire amount; and of that amount Generics [U.K.] Limited is jointly and severally liable for approximately £2.7 million, which was accrued for at September 30, 2016. Generics [U.K.] Limited has appealed the decision. A hearing is scheduled to commence on February 27, 2017 before the Competition Appeals Tribunal.

Strides Arcolab Limited Settlement

At the acquisition date of Agila, the Company estimated and accrued approximately \$20 million for contingent consideration related to certain escrow arrangements. On November 1, 2016, the Company and Strides agreed on a settlement of substantially all outstanding regulatory, warranty and indemnity claims (the "Strides Settlement"). As a result of the settlement, the Company will have access to approximately \$80 million of cash in the fourth quarter of 2016 which is currently contingently restricted. Approximately \$110 million will be paid to either settle these pre-acquisition claims or be remitted to Strides. As such, the Company recorded approximately \$90 million of expense in the third quarter of 2016. This amount is included in litigation settlements and other contingencies, net in the Condensed Consolidated Statements of Operations for the three and nine months ended September 30, 2016. Prior to the Strides Settlement, the maximum contingent consideration

Notes to Condensed Consolidated Financial Statements (Unaudited) - Continued

remaining was approximately \$173 million and was related to the satisfaction of certain regulatory conditions, including potential regulatory remediation costs and the resolution of certain pre-acquisition contingencies.

Product Liability

The Company is involved in a number of product liability lawsuits and claims related to alleged personal injuries arising out of certain products manufactured and/or distributed by the Company, including but not limited to its Fentanyl Transdermal System, Phenytoin, Propoxyphene, Alendronate and Metoclopramide. The Company believes that it has meritorious defenses to these lawsuits and claims and is vigorously defending itself with respect to those matters. From time to time, the Company has agreed to settle or otherwise resolve certain lawsuits and claims on terms and conditions that are in the best interests of the Company. The Company has accrued approximately \$32.5 million and \$9.5 million at September 30, 2016 and December 31, 2015, respectively. It is reasonably possible that we will incur additional losses and fees above the amount accrued but we cannot estimate a range of such reasonably possible losses or legal fees related to these claims at this time. There are no assurances, however, that settlements reached and/or adverse judgments received, if any, will not exceed amounts accrued.

Intellectual Property

In certain situations, the Company has used its business judgment to decide to market and sell products, notwithstanding the fact that allegations of patent infringement(s) or other potential third party rights have not been finally resolved by the courts. The risk involved in doing so can be substantial because the remedies available to the owner of a patent for infringement may include, a reasonable royalty on sales or damages measured by the profits lost by the patent owner. If there is a finding of willful infringement, damages may be increased up to three times. Moreover, because of the discount pricing typically involved with bioequivalent products, patented branded products generally realize a substantially higher profit margin than bioequivalent products. An adverse decision could have an adverse effect that is material to our business, financial condition, results of operations, cash flows and/or ordinary share price.

Other Litigation

The Company is involved in various other legal proceedings that are considered normal to its business, including but not limited to certain proceedings assumed as a result of the acquisition of the former Merck Generics business, Agila and the EPD Business. The Company has approximately \$10 million accrued related to these various other legal proceedings. While it is not possible to predict the ultimate outcome of such other proceedings, the ultimate outcome of any such proceeding is not currently expected to be material to the Company's business, financial condition, results of operations, cash flows and/or ordinary share price.

ITEM 2. MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis addresses material changes in the financial condition and results of operations of Mylan N.V. and subsidiaries for the periods presented. Unless context requires otherwise, the “Company”, “Mylan”, “our”, or “we” refer to Mylan N.V. and its subsidiaries. This discussion and analysis should be read in conjunction with the Consolidated Financial Statements, the related Notes to Consolidated Financial Statements and Management’s Discussion and Analysis of Financial Condition and Results of Operations included in Mylan N.V.’s Annual Report on Form 10-K for the year ended December 31, 2015, as amended, the unaudited interim financial statements and related Notes included in Part I — ITEM 1 of this Quarterly Report on Form 10-Q (“Form 10-Q”) and our other Securities and Exchange Commission (the “SEC”) filings and public disclosures. The interim results of operations for the three and nine months ended September 30, 2016 and cash flows for the nine months ended September 30, 2016 are not necessarily indicative of the results to be expected for the full fiscal year or any other future period.

This Form 10-Q contains “forward-looking statements.” These statements are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements may include, without limitation, statements about the acquisition of Meda AB (publ.) (“Meda”) by Mylan (the “Meda Transaction”), Mylan’s acquisition (the “EPD Transaction”) of Mylan Inc. and Abbott Laboratories’ non-U.S. developed markets specialty and branded generics business (the “EPD Business”), the potential benefits and synergies of the EPD Transaction and the Meda Transaction, future opportunities for Mylan and products, and any other statements regarding Mylan’s future operations, anticipated business levels, future earnings, planned activities, anticipated growth, market opportunities, strategies, competition, and other expectations and targets for future periods. These may often be identified by the use of words such as “will,” “may,” “could,” “should,” “would,” “project,” “believe,” “anticipate,” “expect,” “plan,” “estimate,” “forecast,” “potential,” “intend,” “continue,” “target” and variations of these words or comparable words. Because forward-looking statements inherently involve risks and uncertainties, actual future results may differ materially from those expressed or implied by such forward-looking statements. Factors that could cause or contribute to such differences include, but are not limited to: uncertainties related to the Meda Transaction; the possibility that Mylan will not be able to repurchase, repay or refinance Meda’s outstanding debt obligations on favorable terms or at all; the ability to meet expectations regarding the accounting and tax treatments of the EPD Transaction and the Meda Transaction; changes in relevant tax and other laws, including but not limited to changes in the U.S. tax code and healthcare and pharmaceutical laws and regulations in the U.S. and abroad; actions and decisions of healthcare and pharmaceutical regulators; the integration of the EPD Business and Meda being more difficult, time-consuming, or costly than expected; operating costs, customer loss, and business disruption (including, without limitation, difficulties in maintaining relationships with employees, customers, clients, or suppliers) being greater than expected following the EPD Transaction and the Meda Transaction; the retention of certain key employees of the EPD Business and Meda being difficult; the possibility that Mylan may be unable to achieve expected synergies and operating efficiencies in connection with the EPD Transaction and the Meda Transaction within the expected time-frames or at all and to successfully integrate the EPD Business and Meda; with respect to the Medicaid Drug Rebate Program Settlement (as defined below), the inability or unwillingness on the part of any of the parties to agree to a final settlement, any legal or regulatory challenges to the settlement, and any failure by third parties to comply with their contractual obligations; expected or targeted future financial and operating performance and results; the capacity to bring new products to market, including but not limited to where Mylan uses its business judgment and decides to manufacture, market, and/or sell products, directly or through third parties, notwithstanding the fact that allegations of patent infringement(s) have not been finally resolved by the courts (i.e., an “at-risk launch”); any regulatory, legal, or other impediments to Mylan’s ability to bring new products to market; success of clinical trials and Mylan’s ability to execute on new product opportunities; any changes in or difficulties with our inventory of, and our ability to manufacture and distribute, the EpiPen® Auto-Injector and EpiPen Jr® Auto-Injector (collectively, “EpiPen® Auto-Injector”) to meet anticipated demand; the potential impact of any change in patient access to the EpiPen® Auto-Injector and the introduction of a generic version of the EpiPen® Auto-Injector; the scope, timing, and outcome of any ongoing legal proceedings, including government investigations, and the impact of any such proceedings on financial condition, results of operations, and/or cash flows; the ability to protect intellectual property and preserve intellectual property rights; the effect of any changes in customer and supplier relationships and customer purchasing patterns; the ability to attract and retain key personnel; changes in third-party relationships; the impact of competition; changes in the economic and financial conditions of the businesses of Mylan; the inherent challenges, risks, and costs in identifying, acquiring, and integrating complementary or strategic acquisitions of other companies, products, or assets and in achieving anticipated synergies; uncertainties and matters beyond the control of management; and inherent uncertainties involved in the estimates and judgments used in the preparation of financial statements, and the providing of estimates of financial measures, in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”) and related standards or on an adjusted basis. For more detailed information on the risks and uncertainties associated with Mylan’s business activities, see the risks described in Mylan’s Annual Report on Form 10-K for the year ended December

31, 2015, as amended, Mylan's Quarterly Report on Form 10-Q for the quarter ended March 31, 2016, this Quarterly Report on Form 10-Q for the quarter ended September 30, 2016, and our other filings with the SEC. You can access Mylan's filings with the SEC through the SEC website at www.sec.gov, and Mylan strongly encourages you to do so. Mylan undertakes no obligation to update any statements herein for revisions or changes after the filing date of this Form 10-Q.

Executive Overview

Mylan is a leading global pharmaceutical company, which develops, licenses, manufactures, markets and distributes generic, branded generic and specialty pharmaceuticals. Mylan is committed to setting new standards in healthcare by creating better health for a better world, and our mission is to provide the world's 7 billion people access to high quality medicine. To do so, we innovate to satisfy unmet needs; make reliability and service excellence a habit; do what's right, not what's easy; and impact the future through passionate global leadership.

Mylan offers one of the industry's broadest product portfolios, including more than 2,700 marketed products, to customers in more than 165 countries and territories. We operate a global, high quality vertically-integrated manufacturing platform, which includes more than 50 manufacturing and research and development ("R&D") facilities around the world and one of the world's largest active pharmaceutical ingredient ("API") operations. We also operate a strong R&D network that has consistently delivered a robust product pipeline. Additionally, Mylan has a specialty business that is focused on respiratory and allergy therapies.

Through the third quarter of 2016, Mylan had two segments, "Generics" and "Specialty." Generics primarily develops, manufactures, sells and distributes generic or branded generic pharmaceutical products in tablet, capsule, injectable or transdermal patch form, as well as API. Our generic pharmaceutical business is conducted primarily in the United States ("U.S."), Canada and Brazil (collectively, "North America"); Europe; and India, Australia, Japan and New Zealand as well as our export activity into emerging markets (collectively, "Rest of World"). Beginning in 2016, revenue from the Company's Brazilian operation is included in the North America region. All prior period revenue from the Company's Brazilian operations has been recast from the Rest of World region to the North America region to conform to the presentation for the current period. This change had no impact on Mylan's segment reporting. Our API business is conducted through Mylan Laboratories Limited, which is included within Rest of World in our Generics segment. Specialty engages mainly in the development and sale of branded specialty injectable and nebulized products. We also report in Corporate/Other certain R&D expenses, general and administrative expenses, litigation settlements, amortization of intangible assets and certain purchase accounting items, impairment charges, if any, and other items not directly attributable to the segments.

Due to our acquisition of Meda on August 5, 2016 and the integration of our portfolio across our branded, generics and over-the-counter platforms in all of our regions, effective October 1, 2016, the Company is expanding its reportable segments. The Company will report its results in three segments on a geographic basis as follows: (1) North America, (2) Europe and (3) Rest of World. This change in segment reporting will begin with the Company's consolidated financial statements for the year ending December 31, 2016. Comparative segment financial information will be recast for prior periods to conform to this revised segment structure.

On August 25, 2016, the Company announced that it was immediately expanding already existing patient assistance programs for EpiPen® Auto-Injector. On August 29, 2016, the Company announced that its U.S. subsidiary will launch the first authorized generic to EpiPen® Auto-Injector. The Company intends to continue to market and distribute branded EpiPen® Auto-Injector.

Meda AB

On February 10, 2016, the Company issued an offer announcement under the Nasdaq Stockholm's Takeover Rules and the Swedish Takeover Act (collectively, the "Swedish Takeover Rules") setting forth a public offer to the shareholders of Meda AB (publ.) ("Meda") to acquire all of the outstanding shares of Meda (the "Offer"), with an enterprise value, including the net debt of Meda, of approximately Swedish kronor ("SEK" or "kr") 83.6 billion (based on a SEK/USD exchange rate of 8.4158) or \$9.9 billion at announcement. On August 2, 2016, the Company announced that the Offer was accepted by Meda shareholders holding an aggregate of approximately 343 million shares, representing approximately 94% of the total number of outstanding Meda shares, as of July 29, 2016, and the Company declared the Offer unconditional. On August 5, 2016, settlement occurred with respect to the Meda shares duly tendered by July 29, 2016 and, as a result, Meda is now a controlled subsidiary of the Company. Pursuant to the terms of the Offer, each Meda shareholder that duly tendered Meda shares into the Offer received at settlement (1) in respect of 80% of the number of Meda shares tendered by such shareholder, 165kr in cash

per Meda share, and (2) in respect of the remaining 20% of the number of Meda shares tendered by such shareholder, 0.386 of the Company's ordinary shares per Meda share (subject to treatment of fractional shares as described in the offer document published on June 16, 2016). The non-tendered shares will be acquired for cash through a compulsory acquisition proceeding, in accordance with the Swedish Companies Act (Sw. aktiebolagslagen (2005:551)), with advance title to such non-tendered shares expected to be acquired within six to twelve months of the acquisition date. The compulsory acquisition proceeding price will accrue interest as required by the Swedish Companies Act. Meda's shares were delisted from the Nasdaq Stockholm exchange on August 23, 2016. On November 1, 2016, the Company made an offer to the remaining Meda shareholders to tender all their Meda shares for cash consideration of 161.31kr per Meda share (the "November Offer") to provide such remaining shareholders with an opportunity to sell their shares in Meda to the Company in advance of the automatic acquisition of their shares for cash in connection with the compulsory acquisition proceeding. The acceptance period for the November Offer expires on November 23, 2016 and settlement is expected to occur on or around November 30, 2016. Meda shareholders who tender their shares in the November Offer will not have the right to withdraw their acceptances, and there are no conditions to the completion of the November Offer. Any Meda shareholders that do not accept the November Offer will automatically receive all-cash consideration plus statutory interest for their Meda shares as determined in the compulsory acquisition proceeding. The November Offer is not being made, nor will any tender of share be accepted from or on behalf of holders in, any jurisdiction in which the making of the November Offer or the acceptance of any tender of shares would contravene applicable laws or regulations or require any offer documents, filings or other measures. In connection with either the November Offer or the compulsory acquisition proceeding, it has been assumed that the fair value of the non-tendered shares would be approximately 161kr per share at settlement, and the shares will be purchased with all cash.

The total purchase price was approximately \$6.92 billion, net of cash acquired, which includes cash consideration paid of approximately \$5.3 billion, the issuance of approximately 26.4 million Mylan N.V. ordinary shares at a fair value of approximately \$1.3 billion based on the closing price of the Company's ordinary shares on August 5, 2016, as reported by the NASDAQ Global Select Stock Market (the "NASDAQ") and an assumed liability of approximately \$431.0 million related to the November Offer and the compulsory acquisition proceeding of the non-tendered Meda shares, which is classified as a current liability on the Condensed Consolidated Balance Sheet.

Refer to Note 4 *Acquisitions and Other Transactions* in "Item 1. Notes to Condensed Consolidated Financial Statements" for additional information regarding significant recent events, including other acquisitions and transactions.

Litigation Settlements and Other Contingencies, Net

On October 7, 2016, the Company agreed to the terms of a \$465 million settlement with the U.S. Department of Justice and other government agencies related to the classification of the EpiPen® Auto-Injector for purposes of the Medicaid Drug Rebate Program (the "Medicaid Drug Rebate Program Settlement"). This amount is included in litigation settlements and other contingencies, net in the Condensed Consolidated Statements of Operations for the three and nine months ended September 30, 2016.

On November 1, 2016, the Company and Strides agreed on a settlement of substantially all outstanding regulatory, warranty and indemnity claims (the "Strides Settlement"). As a result of the settlement, the Company will also have access to approximately \$80 million of cash in the fourth quarter of 2016 which is currently contingently restricted. In addition, the Company recorded approximately \$90 million of expense in the third quarter of 2016. This amount is included in litigation settlements and other contingencies, net in the Condensed Consolidated Statements of Operations for the three and nine months ended September 30, 2016.

Refer to Note 18 *Contingencies* in "Item 1. Notes to Condensed Consolidated Financial Statements" for additional information regarding these two items.

Financial Summary

The tables below are a summary of the Company's financial results for the three and nine months ended September 30, 2016 compared to the prior year period:

<i>(In millions, except per share amounts)</i>	Three Months Ended			
	September 30,			
	2016	2015	Change	% Change
Total revenues	\$ 3,057.1	\$ 2,695.2	\$ 361.9	13 %
Gross profit	1,283.3	1,315.3	(32.0)	(2)%
(Loss) earnings from operations	(130.7)	601.1	(731.8)	(122)%
Net (loss) earnings attributable to Mylan N.V. ordinary shareholders	(119.8)	428.6	(548.4)	(128)%
Diluted (loss) earnings per ordinary share attributable to Mylan N.V. ordinary shareholders	\$ (0.23)	\$ 0.83	\$ (1.06)	(128)%

Earnings from operations decreased for the three months ended September 30, 2016 compared to the prior year period primarily due to the recognition of the Medicaid Drug Rebate Program Settlement and the Strides Settlement, both of which are included in litigation settlements and other contingencies, net in the Condensed Consolidated Statements of Operations in the current quarter, as well as higher amortization expense and operating expenses related to acquisitions completed during 2016. These items were partially offset by an increase in total revenues and the tax benefit that the Company realized during the three months ended September 30, 2016.

<i>(In millions, except per share amounts)</i>	Nine Months Ended			
	September 30,			
	2016	2015	Change	% Change
Total revenues	\$ 7,809.1	\$ 6,938.6	\$ 870.5	13 %
Gross profit	3,362.0	3,153.5	208.5	7 %
Earnings from operations	385.8	1,037.0	(651.2)	(63)%
Net earnings attributable to Mylan N.V. ordinary shareholders	62.5	653.0	(590.5)	(90)%
Diluted earnings per ordinary share attributable to Mylan N.V. ordinary shareholders	\$ 0.12	\$ 1.32	\$ (1.20)	(91)%

The decrease in earnings from operations for the nine months ended September 30, 2016 was primarily due to the Medicaid Drug Rebate Program Settlement and the Strides Settlement. In addition, diluted earnings per ordinary share attributable to Mylan N.V. ordinary shareholders for the nine months ended September 30, 2016 compared to the prior year period was also impacted by higher amortization expense and operating expenses related to acquisitions completed during 2016, losses related to the Company's SEK denominated foreign currency contracts, the write off of financing fees related to the termination of the 2016 Bridge Credit Agreement (defined below) and a higher average share count due to the impact of the ordinary shares issued in the EPD Transaction. These items were partially offset by an increase in total revenues and the tax benefit that the Company realized during the nine months ended September 30, 2016.

A detailed discussion of the Company's financial results can be found below in the section titled "Results of Operations." As part of this discussion, we also report sales performance using the non-GAAP financial measure of "constant currency" third party net sales and total revenues. This measure provides information on the change in net sales assuming that foreign currency exchange rates had not changed between the prior and current period. The comparisons presented at constant currency rates reflect comparative local currency sales at the prior year's foreign exchange rates. We routinely evaluate our third party net sales performance at constant currency so that sales results can be viewed without the impact of foreign currency exchange rates, thereby facilitating a period-to-period comparison of our operational activities, and believe that this presentation also provides useful information to investors for the same reason. The following table compares third party net sales on an actual and constant currency basis for each reportable segment and the geographic regions within the Generics segment and consolidated total revenues on an actual and constant currency basis for the three and nine months ended September 30, 2016 and 2015.

More information about non-GAAP measures used by the Company as part of this discussion, including adjusted cost of sales, adjusted gross margins, adjusted earnings and adjusted EPS can be found in "Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations - Results of Operations - Use of Non-GAAP Financial Measures."

Results of Operations
Three Months Ended September 30, 2016 Compared to Three Months Ended September 30, 2015

(In millions)	Three Months Ended					
	September 30,					
	2016	2015	% Change	2016 Currency Impact ⁽¹⁾	2016 Constant Currency Revenues ⁽²⁾	Constant Currency % Change
Generics:						
Third party net sales						
North America ⁽³⁾	\$ 1,098.8	\$ 1,090.6	1 %	\$ (1.0)	\$ 1,097.8	1 %
Europe ⁽⁴⁾	842.0	611.9	38 %	7.9	849.9	39 %
Rest of World ⁽³⁾	670.0	535.9	25 %	(26.7)	643.3	20 %
Total third party net sales ⁽⁴⁾	2,610.8	2,238.4	17 %	(19.8)	2,591.0	16 %
Other third party revenues	14.2	11.5	23 %	—	14.2	23 %
Total third party revenues	2,625.0	2,249.9	17 %	(19.8)	2,605.2	16 %
Intersegment sales ⁽⁵⁾	27.4	1.4	NM	—	27.4	NM
Generics total revenues	2,652.4	2,251.3	18 %	(19.8)	2,632.6	17 %
Specialty:						
Third party net sales	418.7	437.8	(4)%	—	418.7	(4)%
Other third party revenues	13.4	7.5	79 %	—	13.4	79 %
Total third party revenues	432.1	445.3	(3)%	—	432.1	(3)%
Intersegment sales ⁽⁵⁾	7.2	1.2	NM	—	7.2	NM
Specialty total revenues	439.3	446.5	(2)%	—	439.3	(2)%
Elimination of intersegment sales ⁽⁵⁾	(34.6)	(2.6)	NM	—	(34.6)	NM
Consolidated total revenues ⁽⁴⁾	\$ 3,057.1	\$ 2,695.2	13 %	\$ (19.8)	\$ 3,037.3	13 %

⁽¹⁾ Currency impact is shown as unfavorable (favorable).

⁽²⁾ The constant currency revenue change is derived by translating third party net sales for the current period at prior year comparative period exchange rates.

⁽³⁾ Beginning in the first quarter of 2016, the Company reclassified sales from its Brazilian operation from Rest of World to North America. The amount reclassified for the three months ended September 30, 2015 was approximately \$11.0 million.

⁽⁴⁾ For the three months ended September 30, 2015, adjusted third party net sales in Europe totaled \$629.0 million, adjusted generics segment third party net sales totaled \$2.26 billion and adjusted total revenues were \$2.71 billion. Adjusted third party net sales in Europe, adjusted generics segment third party net sales, and adjusted total revenues are non-GAAP financial measures that are discussed further in the section titled *Use of Non-GAAP Financial Measures*.

⁽⁵⁾ The percentage changes in intersegment sales are considered not meaningful (or, "NM") in terms of the Company's total revenue as intersegment sales eliminate in consolidation.

Total Revenues

For the current quarter, Mylan reported total revenues of \$3.06 billion, compared to \$2.70 billion for the comparable prior year period, representing an increase of \$361.9 million, or 13%. Total revenues include both net sales and other revenues from third parties. Third party net sales for the current quarter were \$3.03 billion, compared to \$2.68 billion for the comparable prior year period, representing an increase of \$353.3 million, or 13%. Other third party revenues for the current quarter were \$27.6 million, compared to \$19.0 million for the comparable prior year period, an increase of \$8.6 million.

The increase in total revenues included third party net sales growth in Generics of 17% as a result of the acquisitions of Meda and the Topicals Business, and to a lesser extent, net sales from products launched subsequent to October 1, 2015 (“new products”), which combined totaled approximately \$534.9 million. This increase was partially offset by a decrease in net sales from existing products of approximately \$218.6 million due to a combination of lower pricing and volumes in the current period. The favorable impact of foreign currency translation on current period total revenues was approximately \$19.8 million.

From time to time, a limited number of our products may represent a significant portion of our net sales, gross profit and net earnings. Generally, this is due to the timing of new product introductions and the amount, if any, of additional competition in the market. Our top ten products in terms of sales, in the aggregate, represented approximately 30% and 33% of the Company’s total revenues for the three months ended September 30, 2016 and 2015, respectively.

Generics Segment

For the current quarter, Generics third party net sales were \$2.61 billion, compared to \$2.24 billion for the comparable prior year period, an increase of \$372.4 million, or 17%. In the Generics segment, foreign currency translation had a favorable impact on third party net sales of approximately \$19.8 million, or 1% in the current quarter. As such, constant currency third party net sales increased by approximately \$352.6 million, or 16% when compared to the prior year period. The graph below shows Generics third party net sales by region for the three months ended September 30, 2016 and 2015 and the increase period over period:



Third party net sales from North America increased by \$8.2 million or 1% during the three months ended September 30, 2016 when compared to the prior year period. This increase was principally due to net sales from the acquisitions of Meda and the Topicals Business, and to a lesser extent, net sales from new product introductions as a result of leveraging our global platform, together totaling approximately \$213.6 million. This increase was partially offset by lower volumes and pricing on existing products. The prior year period included the significant contribution of new products. The impact of foreign currency translation on current period third party net sales was insignificant within North America.

Products generally contribute most significantly to revenues and gross margins at the time of their launch, even more so in periods of market exclusivity, or in periods of limited generic competition. As such, the timing of new product introductions can have a significant impact on the Company’s financial results. The entrance into the market of additional competition generally has a negative impact on the volume and pricing of the affected products. Additionally, pricing is often affected by factors outside of the Company’s control.

Third party net sales from Europe increased by \$230.1 million or 38% during the three months ended September 30, 2016 when compared to the prior year period. The increase in third party net sales was primarily the result of net sales from the acquisition of Meda, and to a lesser extent, net sales from new product introductions, totaling approximately \$220.4 million in

the third quarter of 2016. Pricing and volumes were essentially flat in the third quarter of 2016 as a result of our diversified product portfolio. The unfavorable impact of foreign currency translation on current period third party net sales was \$7.9 million, or 1% within Europe. As such, constant currency third party net sales increased by approximately \$238.0 million, or 39% when compared to the prior year period.

Third party net sales from Mylan's business in France increased when compared to the prior year period primarily as a result of net sales from the acquisition of Meda and new product introductions, and we remain the generics market leader. In Italy, third party net sales increased when compared to the prior year period as a result of net sales from the acquisition of Meda.

Certain markets within Europe in which we do business have undergone government-imposed price reductions, and further government-imposed price reductions are expected in the future. Such measures, along with the tender systems discussed below, are likely to have a negative impact on sales and gross profit in these markets. However, government initiatives in certain markets that appear to favor generic products could help to mitigate this unfavorable effect by increasing rates of generic substitution and penetration.

Third party net sales from Rest of World increased by \$134.1 million, or 25% during the three months ended September 30, 2016 when compared to the prior year period. This increase was primarily due to net sales from the acquisition of Meda principally in emerging markets, and to a lesser extent, net sales from new product introductions, together totaling approximately \$101.1 million. In addition, net sales from existing products increased slightly, as higher volumes offset lower pricing throughout the region, including in our anti-retroviral ("ARV") franchise. Sales within our ARV franchise progressively improved throughout the third quarter of 2016 as HIV tender volumes increased. Third party net sales from Rest of World were favorably impacted by the effect of foreign currency translation by approximately \$26.7 million, or 5% during the three months ended September 30, 2016. As such, constant currency third party net sales increased by approximately \$107.3 million, or 20%.

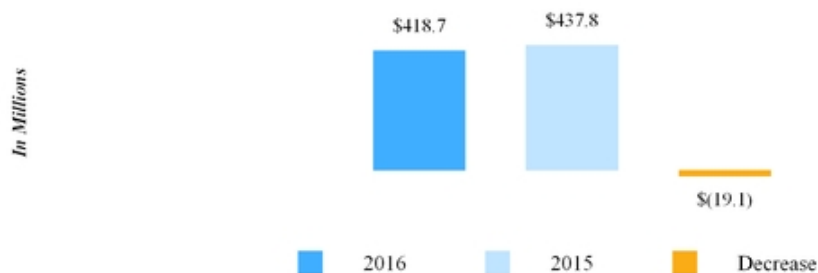
In addition to third party net sales, the Rest of World region also supplies finished dosage form ("FDF") generic products and API to Mylan subsidiaries in conjunction with the Company's vertical integration strategy. Intercompany sales recognized by Rest of World were approximately \$249.0 million and \$205.6 million in the three months ended September 30, 2016 and 2015, respectively. These intercompany sales eliminate within, and therefore are not included in Generics or consolidated third party net sales.

In Japan, third party net sales increased as a result of net sales from new products and higher volumes on existing products. These increases were partially offset by unfavorable pricing on existing products. In Australia, third party net sales increased primarily as a result of new product introductions, and to a lesser extent, net sales from the acquisition of Meda. As in Europe, both Australia and Japan have undergone government-imposed price reductions that have had, and could continue to have, a negative impact on sales and gross profit in these markets.

A number of markets in which we operate have implemented, or may implement, tender systems for generic pharmaceuticals in an effort to lower prices. Generally speaking, tender systems can have an unfavorable impact on sales and profitability. Under such tender systems, manufacturers submit bids that establish prices for generic pharmaceutical products. Upon winning the tender, the winning company will receive preferential reimbursement for a period of time. The tender system often results in companies underbidding one another by proposing low pricing in order to win the tender. The loss of a tender by a third party to whom we supply API can also have a negative impact on our sales and profitability. Sales continue to be negatively affected by the impact of tender systems.

Specialty Segment

The graph below shows Specialty third party net sales for the three months ended September 30, 2016 and 2015 and the decrease period over period:



Specialty third party net sales decreased by \$19.1 million or 4% during the three months ended September 30, 2016 when compared to the prior year period. The decrease was primarily the result of lower unit volumes due to the timing of wholesaler purchases of the EpiPen® Auto-Injector in anticipation of the authorized generic launch.

Cost of Sales and Gross Profit

Cost of sales increased from \$1.38 billion for the three months ended September 30, 2015 to \$1.77 billion for the three months ended September 30, 2016, corresponding to the increase in sales. Cost of sales was primarily impacted by purchase accounting related amortization of acquired intangible assets, acquisition related costs and restructuring and other special items, which are described further in the section titled *Use of Non-GAAP Financial Measures*. Gross profit for the three months ended September 30, 2016 was \$1.28 billion and gross margins were 42%. For the three months ended September 30, 2015, gross profit was \$1.32 billion and gross margins were 49%. Gross margins were negatively impacted in the current quarter by increased purchase accounting related items, primarily amortization, as a result of the acquisitions of Meda and the Topicals Business, and the significant contribution in the prior year period of new products. Adjusted gross margins were approximately 57% for the three months ended September 30, 2016, compared to approximately 58% for the three months ended September 30, 2015. For the quarter ended September 30, 2016, the acquisition of Meda and new product introductions each positively impacted adjusted gross margins by 50 basis points, respectively. These increases were offset by the significant contribution in the prior year period of new products.

A reconciliation between cost of sales, as reported under U.S. GAAP, and adjusted cost of sales and adjusted gross margin for the three months ended September 30, 2016 compared to the three months ended September 30, 2015 is as follows:

<i>(In millions)</i>	Three Months Ended	
	September 30,	
	2016	2015
U.S. GAAP cost of sales	\$ 1,773.8	\$ 1,379.9
Deduct:		
Purchase accounting related amortization	(421.5)	(215.4)
Acquisition related costs	(8.5)	(24.9)
Restructuring & other special items	(21.7)	(5.1)
Adjusted cost of sales	\$ 1,322.1	\$ 1,134.5
Adjusted gross profit ^(a)	\$ 1,735.0	\$ 1,577.8
Adjusted gross margin ^(a)	57%	58%

^(a) Adjusted gross profit is calculated as total revenues (adjusted total revenues for 2015) less adjusted cost of sales. Adjusted gross margin is calculated as adjusted gross profit divided by total revenues (adjusted total revenues for 2015).

Operating Expenses

Research & Development Expense

R&D expense for the three months ended September 30, 2016 was \$199.1 million, compared to \$174.8 million for the comparable prior year period, an increase of \$24.3 million. The increase is primarily due to the inclusion of Meda and the Topicals Business, which increased R&D expense by approximately \$12 million in the current quarter. R&D expense also increased due to expenses of approximately \$9.0 million in the third quarter of 2016 related to the Company's collaboration agreement entered into on January 8, 2016 with Momenta Pharmaceuticals, Inc. ("Momenta"). The remainder is driven by the continued development of our respiratory, insulin and biologics programs.

Selling, General & Administrative Expense

Selling, general and administrative expense ("SG&A") for the current quarter was \$656.9 million, compared to \$537.1 million for the comparable prior year period, an increase of \$119.8 million. The increase in SG&A is primarily due to the additional expense related to the acquisitions of Meda and the Topicals Business which increased SG&A by approximately \$106.8 million in the current quarter. In addition, SG&A increased due to increased employee related costs and increased depreciation expense as a result of information technology related capital expenditures.

Litigation Settlements and Other Contingencies, Net

During the three months ended September 30, 2016 and 2015, the Company recorded a charge, net of \$558.0 million and \$2.3 million, respectively. In the current year period, the charge was primarily related to the Medicaid Drug Rebate Program Settlement and the Strides Settlement. In the prior year period, the charge was primarily related to the settlement of an anti-trust matter.

Interest Expense

Interest expense for the three months ended September 30, 2016 totaled \$144.4 million, compared to \$95.1 million for the three months ended September 30, 2015, an increase of \$49.3 million. The increase in the current quarter is primarily due to \$59.3 million of interest related to the issuance of the June 2016 Senior Notes (as defined below) and approximately \$17.7 million of interest related to borrowings acquired from Meda. Partially offsetting these increases was lower amortization of discounts as a result of the repayment of the Company's Cash Convertible Notes due 2015 (the "Cash Convertible Notes") in September 2015, and the result of the refinancing of certain debt instruments in 2015.

Other Expense, Net

Other expense, net, was \$50.2 million in the current quarter, compared to \$50.9 million for the comparable prior year period. Other expense, net, includes losses from equity affiliates, foreign exchange gains and losses and interest and dividend income. Other expense, net was comprised of the following for the three months ended September 30, 2016 and 2015, respectively:

<i>(In millions)</i>	Three Months Ended September 30,	
	2016	2015
Losses from equity affiliates, primarily clean energy investments	\$ 29.7	\$ 27.8
Foreign exchange losses (gains)	27.8	(17.2)
Write off of deferred financing fees	—	11.1
Redemption premium on 2020 Senior Notes	—	39.4
Write off of unamortized premium on 2020 Senior Notes	—	(9.7)
Other gains, net	(7.3)	(0.5)
	<u>\$ 50.2</u>	<u>\$ 50.9</u>

In the third quarter of 2016, foreign exchange losses of \$27.8 million included \$44.4 million of losses related to the Company's SEK non-designated foreign currency contracts partially offset by foreign currency gains.

Income Tax (Benefit) Provision

For the three months ended September 30, 2016, the Company recognized an income tax benefit of \$205.5 million, compared to an income tax provision of \$26.5 million for the comparable prior year period. During the three months ended September 30, 2016, the Company received approvals from the relevant Indian regulatory authorities to legally merge its wholly owned subsidiary, Jai Pharma Limited, into Mylan Laboratories Limited. The merger resulted in the recognition of a deferred tax asset of \$150 million for the tax deductible goodwill in excess of the book goodwill with a corresponding benefit to income tax provision for the three months ended September 30, 2016. In addition to the benefit recognized for the merger of the aforementioned entities, the effective tax rate for the three months ended September 30, 2016 versus the comparable prior quarter period was impacted by the Medicaid Drug Rebate Program Settlement.

Nine Months Ended September 30, 2016 Compared to Nine Months Ended September 30, 2015

<i>(In millions)</i>	Nine Months Ended					
	September 30,			2016 Constant		
	2016	2015	% Change	2016 Currency Impact ⁽¹⁾	Currency Revenues ⁽²⁾	Constant Currency % Change
Generics:						
Third party net sales						
North America ⁽³⁾	\$ 3,028.6	\$ 2,894.1	5%	\$ 10.9	\$ 3,039.5	5%
Europe ⁽⁴⁾	2,033.9	1,589.2	28%	10.2	2,044.1	29%
Rest of World ⁽³⁾	1,613.9	1,453.8	11%	(9.1)	1,604.8	10%
Total third party net sales ⁽⁴⁾	6,676.4	5,937.1	12%	12.0	6,688.4	13%
Other third party revenues	33.0	31.7	4%	0.3	33.3	5%
Total third party revenues	6,709.4	5,968.8	12%	12.3	6,721.7	13%
Intersegment sales ⁽⁵⁾	29.5	5.2	NM	0.3	29.8	NM
Generics total revenues	6,738.9	5,974.0	13%	12.6	6,751.5	13%
Specialty:						
Third party net sales	1,069.1	950.7	12%	—	1,069.1	12%
Other third party revenues	30.6	19.1	60%	—	30.6	60%
Total third party revenues	1,099.7	969.8	13%	—	1,099.7	13%
Intersegment sales ⁽⁵⁾	13.7	5.8	NM	—	13.7	NM
Specialty total revenues	1,113.4	975.6	14%	—	1,113.4	14%
Elimination of intersegment sales ⁽⁵⁾	(43.2)	(11.0)	NM	(0.3)	(43.5)	NM
Consolidated total revenues ⁽⁴⁾	\$ 7,809.1	\$ 6,938.6	13%	\$ 12.3	\$ 7,821.4	13%

⁽¹⁾ Currency impact is shown as unfavorable (favorable).

⁽²⁾ The constant currency revenue change is derived by translating third party net sales for the current period at prior year comparative period exchange rates.

⁽³⁾ Beginning in the first quarter of 2016, the Company reclassified sales from its Brazilian operation from Rest of World to North America. The amount reclassified for the nine months ended September 30, 2015 was approximately \$32.3 million.

⁽⁴⁾ For the nine months ended September 30, 2015, adjusted third party net sales in Europe totaled \$1.61 billion, adjusted generics segment third party net sales totaled \$5.95 billion and adjusted total revenues were \$6.96 billion. Adjusted third party net sales in Europe, adjusted generics segment third party net sales, and adjusted total revenues are non-GAAP financial measures that are discussed further in the section titled *Use of Non-GAAP Financial Measures*.

⁽⁵⁾ The percentage changes in intersegment sales are considered not meaningful (or, "NM") in terms of the Company's total revenue as intersegment sales eliminate in consolidation.

Total Revenues

For the nine months ended September 30, 2016, Mylan reported total revenues of \$7.81 billion, compared to \$6.94 billion for the comparable prior year period, representing an increase of \$870.5 million, or 13%. Total revenues include both net sales and other revenues from third parties. Third party net sales for the nine months ended September 30, 2016 were \$7.75

billion, compared to \$6.89 billion for the comparable prior year period, representing an increase of \$857.7 million, or 12%. Other third party revenues for the nine months ended September 30, 2016 were \$63.6 million, compared to \$50.8 million for the comparable prior year period, an increase of \$12.8 million.

The increase in total revenues included third party net sales growth in Generics of 12% and Specialty of 12%. Contributing to this increase was net sales from the acquisitions of Meda and the Topicals Business and net sales from new product introductions, and to a lesser extent, the two additional months of net sales from the EPD Business (“incremental EPD Business sales”) in the Generics segment when compared to the nine months ended September 30, 2015, all of which combined totaled approximately \$920.4 million. Net sales from existing products decreased approximately \$67.9 million as a result of a decline in pricing of approximately \$99.7 million, partially offset by an increase in volumes of approximately \$31.8 million. Mylan’s total revenues were unfavorably impacted by the effect of foreign currency translation, primarily reflecting changes in the U.S. Dollar as compared to the currencies of Mylan’s subsidiaries in Canada, the European Union, India, and the United Kingdom, partially offset by the strengthening of the Japanese Yen. The unfavorable impact of foreign currency translation on current year total revenues was approximately \$12.3 million resulting in an increase in constant currency total revenues of approximately \$882.8 million, or 13%.

From time to time, a limited number of our products may represent a significant portion of our net sales, gross profit and net earnings. Generally, this is due to the timing of new product introductions and the amount, if any, of additional competition in the market. Our top ten products in terms of sales, in the aggregate, represented approximately 30% of the Company’s total revenues for the nine months ended September 30, 2016 and 2015, respectively.

Generics Segment

For the nine months ended September 30, 2016, Generics third party net sales were \$6.68 billion, compared to \$5.94 billion for the comparable prior year period, an increase of \$739.3 million, or 12%. In the Generics segment, foreign currency translation had an unfavorable impact on third party net sales of approximately \$12.0 million in the current year period. As such, constant currency third party net sales increased by approximately \$751.3 million, or 13% when compared to the prior year period. The graph below shows Generics third party net sales by region for the nine months ended September 30, 2016 and 2015 and the increase period over period:



Third party net sales from North America increased by \$134.5 million or 5% during the nine months ended September 30, 2016 when compared to the prior year period. This increase was principally due to net sales from the acquisitions of Meda, the Topicals Business, the incremental EPD Business sales, and to a lesser extent, net sales from new product introductions as a result of our global platform, together totaling approximately \$312.5 million. This increase was partially offset by lower pricing on existing products while volumes on existing products increased slightly. The impact of foreign currency translation on the current period third party net sales was insignificant within North America.

Products generally contribute most significantly to revenues and gross margins at the time of their launch, even more so in periods of market exclusivity, or in periods of limited generic competition. As such, the timing of new product introductions can have a significant impact on the Company’s financial results. The entrance into the market of additional competition generally has a negative impact on the volume and pricing of the affected products. Additionally, pricing is often affected by factors outside of the Company’s control.

Third party net sales from Europe increased by \$444.7 million or 28% during the nine months ended September 30, 2016 when compared to the prior year period. This increase was primarily the result of the acquisition of Meda, the incremental EPD Business sales, and to a lesser extent, net sales from new product introductions, together totaling approximately \$408.5

million during the nine months ended September 30, 2016. In addition, there were higher volumes on existing products, while pricing was essentially flat as a result of our diversified product portfolio. The unfavorable impact of foreign currency translation on current period third party net sales was \$10.2 million, or 1% within Europe. As such, constant currency third party net sales increased by approximately \$454.9 million, or 29% when compared to the prior year period.

Third party net sales from Mylan's business in France increased when compared to the prior year as a result of the acquisition of Meda and the incremental EPD Business sales, higher volumes and pricing on existing products and new product introductions. Our market share in France increased for the nine months ended September 30, 2016, and we remain the generics market leader. In Italy, third party net sales increased when compared to the prior year period as a result of the acquisition of Meda and the incremental EPD Business sales, and to a lesser extent, new product introductions, which was partially offset by lower sales of existing products.

Certain markets in Europe in which we do business have undergone government-imposed price reductions, and further government-imposed price reductions are expected in the future. Such measures, along with the tender systems discussed below, are likely to have a negative impact on sales and gross profit in these markets. However, government initiatives in certain markets that appear to favor generic products could help to mitigate this unfavorable effect by increasing rates of generic substitution and penetration.

Third party net sales from Rest of World increased by \$160.1 million or 11% during the nine months ended September 30, 2016 when compared to the prior year period. This increase was primarily driven by the acquisition of Meda, the incremental EPD Business sales, and to a lesser extent, new product introductions across the region, together totaling \$199.4 million, combined with higher sales volumes in Japan, India and emerging markets. These increases were partially offset by lower pricing in the region, including the ARV franchise. However, sales within our ARV franchise progressively grew throughout the first nine months of the year, and on a sequential basis third quarter sales increased over 30% from the second quarter of 2016. The favorable impact of foreign currency translation on current period third party net sales was \$9.1 million, or 1% within Rest of World. As such, constant currency third party net sales increased by approximately \$151.0 million, or 10%.

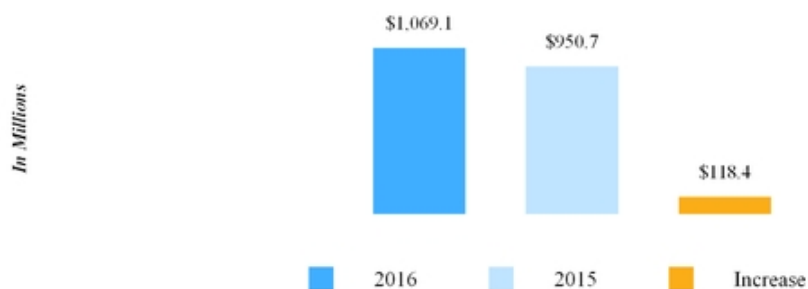
In addition to third party net sales, the Rest of World region also supplies FDF generic products and API to Mylan subsidiaries in conjunction with the Company's vertical integration strategy. Intercompany sales recognized by Rest of World were approximately \$684.1 million and \$522.1 million in the nine months ended September 30, 2016 and 2015, respectively. These intercompany sales eliminate within, and therefore are not included in Generics or consolidated third party net sales.

In Japan, third party net sales increased as a result of the incremental EPD Business sales, higher volumes on existing products and net sales from new product introductions. In Australia, third party net sales increased as result of net sales from new product introductions, the incremental EPD Business sales, and to a lesser extent, the acquisition of Meda and higher volumes on existing products. Within these countries, net sales from existing products increased as higher volumes offset lower pricing. As in Europe, both Australia and Japan have undergone government-imposed price reductions that have had, and could continue to have, a negative impact on sales and gross profit in these markets.

A number of markets in which we operate have implemented, or may implement, tender systems for generic pharmaceuticals in an effort to lower prices. Generally speaking, tender systems can have an unfavorable impact on sales and profitability. Under such tender systems, manufacturers submit bids that establish prices for generic pharmaceutical products. Upon winning the tender, the winning company will receive preferential reimbursement for a period of time. The tender system often results in companies underbidding one another by proposing low pricing in order to win the tender. Additionally, the loss of a tender by a third party to whom we supply API can also have a negative impact on our sales and profitability. Sales continue to be negatively affected by the impact of tender systems.

Specialty Segment

The graph below shows Specialty third party net sales for the nine months ended September 30, 2016 and 2015 and the increase period over period:



Specialty third party net sales increased by \$118.4 million or 12% during the nine months ended September 30, 2016 when compared to the prior year period. The increase was primarily the result of the realization of the benefits of customer contract negotiations over the last several quarters related to the EpiPen® Auto-Injector, and higher sales of the Perforomist® Inhalation Solution and ULTIVA®, partially offset by lower volumes across the segment.

Cost of Sales and Gross Profit

Cost of sales increased from \$3.79 billion for the nine months ended September 30, 2015 to \$4.45 billion for the nine months ended September 30, 2016, corresponding to the increase in sales. Cost of sales was primarily impacted by purchase accounting related amortization of acquired intangible assets, acquisition related costs and restructuring and other special items, which are described further in the section titled *Use of Non-GAAP Financial Measures*. In addition to the increase in net sales, the increase in cost of sales was also impacted by acquisition related amortization expense of Meda, the Topicals Business and Jai Pharma Limited as well as an additional two months of amortization expense related to the EPD Business as compared to the prior year period. Gross profit for the nine months ended September 30, 2016 was \$3.36 billion and gross margins were 43%. For the nine months ended September 30, 2015, gross profit was \$3.15 billion and gross margins were 45%. Gross margins were positively impacted in the current year by new product introductions and higher sales within Specialty which positively impacted gross margins by approximately 50 and 70 basis points, respectively. These increases were offset by the negative impact of increased purchase accounting related items, primarily amortization, as a result of the acquisitions of Meda and the Topicals Business, and the significant contribution in the prior year period of new products. Adjusted gross margins were approximately 56% for the nine months ended September 30, 2016, compared to approximately 55% for the nine months ended September 30, 2015. For the nine months ended September 30, 2016, the combined impact of acquisitions and new product introductions and higher sales within Specialty positively impacted adjusted gross margins by approximately 50 basis points and 30 basis points, respectively. These increases were partially offset by the significant contribution in the prior year period of new products.

A reconciliation between cost of sales, as reported under U.S. GAAP, and adjusted cost of sales and adjusted gross margin for the nine months ended September 30, 2016 compared to the nine months ended September 30, 2015 is as follows:

<i>(In millions)</i>	Nine Months Ended	
	September 30,	
	2016	2015
U.S. GAAP cost of sales	\$ 4,447.1	\$ 3,785.1
Deduct:		
Purchase accounting related amortization	(914.8)	(598.3)
Acquisition related costs	(39.8)	(63.7)
Restructuring & other special items	(47.9)	(19.8)
Adjusted cost of sales	<u>\$ 3,444.6</u>	<u>\$ 3,103.3</u>
Adjusted gross profit ^(a)	<u>\$ 4,364.5</u>	<u>\$ 3,852.4</u>
Adjusted gross margin ^(a)	<u>56%</u>	<u>55%</u>

^(a) Adjusted gross profit is calculated as total revenues (adjusted total revenues for 2015) less adjusted cost of sales. Adjusted gross margin is calculated as adjusted gross profit divided by total revenues (adjusted total revenues for 2015).

Operating Expenses

Research & Development Expense

R&D expense for the nine months ended September 30, 2016 was \$632.2 million, compared to \$512.9 million for the comparable prior year period, an increase of \$119.3 million. During the nine months ended September 30, 2016, the Company made an upfront payment to Momenta for \$45 million related to the Company's collaboration agreement and incurred approximately \$22.3 million of additional R&D expense related to the collaboration. The inclusion of Meda and the Topicals Business increased R&D expense by approximately \$12 million and the additional two months of expense related to the EPD Business in the current year increased R&D expense by approximately \$9 million. R&D expense also increased due to the continued development of our respiratory, insulin and biologics programs. During the nine months ended September 30, 2016, the Company incurred approximately \$15 million of milestone payments related to the collaboration with Theravance Biopharma, Inc. ("Theravance Biopharma"). In the prior year period, the Company incurred a \$15 million upfront licensing payment related to the collaboration with Theravance Biopharma.

Selling, General & Administrative Expense

SG&A for the nine months ended September 30, 2016 was \$1.79 billion, compared to \$1.58 billion for the comparable prior year period, an increase of \$203.1 million. Factors contributing to the increase in SG&A include additional expense related to the acquisitions of Meda, the Topicals Business and the EPD Business which increased SG&A by approximately \$175.4 million. In addition, the increase in SG&A is due to increased employee compensation expense as well as increased depreciation expense as a result of information technology related capital expenditures. These increases were partially offset by decreases in consulting and professional services expense of approximately \$24.1 million and legal expense of approximately \$27.0 million, primarily due to higher acquisition related costs incurred in the prior year period.

Litigation Settlements and Other Contingencies, Net

During the nine months ended September 30, 2016 and 2015, the Company recorded a charge, net of \$556.4 million and \$19.1 million, respectively. During the nine months ended September 30, 2016, the charge was primarily related to the Medicaid Drug Rebate Program Settlement and the Strides Settlement. In the prior year period, the charge was primarily related to the settlement of antitrust matters, partially offset by the settlement of patent infringement matters.

Interest Expense

Interest expense for the nine months ended September 30, 2016 totaled \$305.0 million, compared to \$268.5 million for the nine months ended September 30, 2015, an increase of \$36.5 million. The increase in the current year is primarily due to approximately \$73.2 million of interest related to the issuance of the June 2016 Senior Notes and approximately \$17.7 million of interest related to borrowings acquired from Meda. Partially offsetting these increases was lower amortization of discounts as a result of the repayment of the Company's Cash Convertible Notes in September 2015, and the result of the refinancing of certain debt instruments in 2015.

Other Expense, Net

Other expense, net, was \$184.0 million for the nine months ended September 30, 2016, compared \$71.4 million for the comparable prior year period. Other expense, net, includes losses from equity affiliates, foreign exchange gains and losses and interest and dividend income. Other expense, net was comprised of the following for the nine months ended September 30, 2016 and 2015, respectively:

<i>(In millions)</i>	Nine Months Ended	
	September 30,	
	2016	2015
Losses from equity affiliates, primarily clean energy investments	\$ 85.5	\$ 77.5
Foreign exchange losses (gains)	81.6	(42.3)
Write off of deferred financing fees	33.2	11.0
Redemption premium on 2020 Senior Notes	—	39.4
Write off of unamortized premium on 2020 Senior Notes	—	(9.7)
Other gains, net	(16.3)	(4.5)
	<u>\$ 184.0</u>	<u>\$ 71.4</u>

In the current year foreign exchange losses of approximately \$81.6 million included \$128.6 million of losses related to the Company's SEK non-designated foreign currency contracts partially offset by foreign exchange gains.

Income Tax (Benefit) Provision

For the nine months ended September 30, 2016, the Company recognized an income tax benefit of \$165.7 million, compared to an income tax provision of \$44.0 million for the comparable prior year period. During the nine months ended September 30, 2016, the Company received approvals from the relevant Indian regulatory authorities to legally merge its wholly owned subsidiary, Jai Pharma Limited, into Mylan Laboratories Limited. The merger resulted in the recognition of a deferred tax asset of \$150 million for the tax deductible goodwill in excess of the book goodwill with a corresponding benefit to income tax provision for the nine months ended September 30, 2016. In addition to the benefit recognized for the merger of the aforementioned entities, the effective tax rate for the nine months ended September 30, 2016 versus the comparable prior year period was also impacted by the Medicaid Drug Rebate Program Settlement.

Use of Non-GAAP Financial Measures

Whenever the Company uses non-GAAP financial measures, we provide a reconciliation of the non-GAAP financial measures to their most directly comparable U.S. GAAP financial measure. Investors and other readers are encouraged to review the related U.S. GAAP financial measures and the reconciliation of non-GAAP measures to their most directly comparable U.S. GAAP measure set forth below and should consider non-GAAP measures only as a supplement to, not as a substitute for or as a superior measure to, measures of financial performance prepared in accordance with U.S. GAAP. Additionally, since these are not measures determined in accordance with U.S. GAAP, non-GAAP financial measures have no standardized meaning across companies, or as prescribed by U.S. GAAP and, therefore, may not be comparable to the calculation of similar measures or measures with the same title used by other companies.

Management uses these measures internally for forecasting, budgeting, measuring its operating performance, and incentive-based awards. In addition, primarily due to acquisitions, we believe that an evaluation of our ongoing operations (and comparisons of our current operations with historical and future operations) would be difficult if the disclosure of our financial results was limited to financial measures prepared only in accordance with U.S. GAAP. We believe that non-GAAP financial

measures are useful supplemental information for our investors and when considered together with our U.S. GAAP financial measures and the reconciliation to the most directly comparable U.S. GAAP financial measure, provide a more complete understanding of the factors and trends affecting our operations. The financial performance of the Company is measured by senior management, in part, using adjusted metrics as described below, along with other performance metrics. Management's annual incentive compensation is derived, in part, based on the adjusted EPS metric.

Adjusted Third Party Net Sales from Europe, Adjusted Generics Segment Third Party Net Sales, Adjusted Third Party Net Sales and Adjusted Total Revenues

The Company has provided the following non-GAAP financial measures: adjusted third party net sales from Europe, adjusted Generics segment third party net sales, adjusted third party net sales and adjusted total revenues, each of which excludes an acquisition related customer incentive in Europe from the most directly comparable U.S. GAAP financial measure for the three and nine months ended September 30, 2015.

<i>(In millions)</i>	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2016	2015	2016	2015
U.S. GAAP third party net sales from Europe	\$ 842.0	\$ 611.9	\$ 2,033.9	\$ 1,589.2
Add:				
Acquisition related customer incentive	—	17.1	—	17.1
Adjusted third party net sales from Europe	<u>\$ 842.0</u>	<u>\$ 629.0</u>	<u>\$ 2,033.9</u>	<u>\$ 1,606.3</u>
U.S. GAAP Generics segment third party net sales	\$ 2,610.8	\$ 2,238.4	\$ 6,676.4	\$ 5,937.1
Add:				
Acquisition related customer incentive	—	17.1	—	17.1
Adjusted Generics segment third party net sales	<u>\$ 2,610.8</u>	<u>\$ 2,255.5</u>	<u>\$ 6,676.4</u>	<u>\$ 5,954.2</u>
U.S. GAAP third party net sales	\$ 3,029.5	\$ 2,676.2	\$ 7,745.5	\$ 6,887.8
Add:				
Acquisition related customer incentive	—	17.1	—	17.1
Adjusted third party net sales	<u>\$ 3,029.5</u>	<u>\$ 2,693.3</u>	<u>\$ 7,745.5</u>	<u>\$ 6,904.9</u>
U.S. GAAP total revenues	\$ 3,057.1	\$ 2,695.2	\$ 7,809.1	\$ 6,938.6
Add:				
Acquisition related customer incentive	—	17.1	—	17.1
Adjusted total revenues	<u>\$ 3,057.1</u>	<u>\$ 2,712.3</u>	<u>\$ 7,809.1</u>	<u>\$ 6,955.7</u>

Adjusted Cost of Sales and Adjusted Gross Margin

We use the non-GAAP financial measure "adjusted cost of sales" and the corresponding non-GAAP financial measure "adjusted gross margin." The principal items excluded from adjusted cost of sales include restructuring, acquisition related and other special items and purchase accounting amortization and other related items, which are described in greater detail below.

Adjusted Earnings and Adjusted EPS

Adjusted net earnings attributable to Mylan N.V. ("adjusted earnings") is a non-GAAP financial measure and provides an alternative view of performance used by management. Management believes that, primarily due to acquisition activity, an evaluation of the Company's ongoing operations (and comparisons of its current operations with historical and future operations) would be difficult if the disclosure of its financial results were limited to financial measures prepared only in accordance with U.S. GAAP. Adjusted earnings and adjusted earnings per diluted share ("adjusted EPS") are two of the most important internal financial metrics related to the ongoing operating performance of the Company, and management also believes that investors' understanding of our performance is enhanced by these adjusted measures. Actual internal and forecasted operating results and annual budgets include adjusted earnings and adjusted EPS.

The significant items excluded from adjusted cost of sales, adjusted earnings and adjusted EPS include:

Purchase Accounting Amortization and Other Related Items

The ongoing impact of certain amounts recorded in connection with acquisitions is excluded from adjusted cost of sales, adjusted earnings and adjusted EPS. These amounts include the amortization of intangible assets and inventory step-up, intangible asset impairment charges (including in-process research and development), accretion and the fair value adjustments related to contingent consideration.

Upfront and Milestone-Related R&D Expenses

These expenses and payments are excluded from adjusted earnings and adjusted EPS because they generally occur at irregular intervals and are not indicative of the Company's ongoing operations. Also included in this adjustment are certain expenses related to the Company's collaboration agreement with Momenta including certain milestone related costs. Such costs include payments related to Mylan's future decisions, on a product by product basis, to continue with the development of such product in the collaboration after certain R&D work is performed. Related amounts are excluded from adjusted earnings as Mylan considers such payments as additional upfront buy-in payments for the products.

Restructuring, Acquisition Related and Other Special Items

Costs related to restructuring, acquisition and integration activities and other actions are excluded from adjusted cost of sales, adjusted earnings and adjusted EPS, as applicable. These amounts include items such as:

- Exit costs associated with facilities to be closed or divested, including employee separation costs, impairment charges, accelerated depreciation, incremental manufacturing variances, equipment relocation costs and other restructuring related costs;
- Certain acquisition related remediation and integration and planning costs, as well as other costs associated with acquisitions such as advisory and legal fees and certain financing related costs, and other business transformation and/or optimization initiatives, which are not part of a formal restructuring program, including employee separation and post-employment costs;
- The pre-tax loss of the Company's clean energy investments, whose activities qualify for income tax credits under Section 45 of the U.S. Internal Revenue Code of 1986, as amended (the "Code"); only included in adjusted earnings and adjusted EPS is the net tax effect of the entity's activities; and
- Certain costs to further develop and optimize our global enterprise resource planning systems, operations and supply chain.

The Company has undertaken restructurings and other optimization initiatives of differing types, scope and amount during the covered periods and, therefore, these charges should not be considered non-recurring; however, management excludes these amounts from adjusted earnings and adjusted EPS because it believes it is helpful to understanding the underlying, ongoing operational performance of the business.

Litigation Settlements, Net

Charges and gains related to legal matters, such as those discussed in the Notes to interim financial statements — Note 18 *Contingencies* are generally excluded from adjusted earnings and adjusted EPS. Normal, ongoing defense costs of the Company made in the normal course of our business are not excluded.

Reconciliation of Adjusted Earnings and Adjusted EPS

A reconciliation between net earnings attributable to Mylan N.V. ordinary shareholders and diluted (loss) earnings per share attributable to Mylan N.V. ordinary shareholders, as reported under U.S. GAAP, and adjusted earnings and adjusted EPS for the periods shown follows:

(In millions, except per share amounts)	Three Months Ended September 30,				Nine Months Ended September 30,			
	2016		2015		2016		2015	
U.S. GAAP net (loss) earnings attributable to Mylan N.V. and U.S. GAAP diluted (loss) earnings per share	\$ (119.8)	\$ (0.23)	\$ 428.6	\$ 0.83	\$ 62.5	\$ 0.12	\$ 653.0	\$ 1.32
Purchase accounting related amortization (primarily included in cost of sales) (a)	427.1		219.2		931.8		609.8	
Litigation settlements, net (b)	468.0		2.3		466.4		19.1	
Interest expense (primarily related to clean energy investment financing)	5.5		11.5		18.9		39.9	
Accretion of contingent consideration liability and other fair value adjustments (c)	100.4		9.7		120.7		28.5	
Clean energy investments pre-tax loss (d)	23.8		24.1		69.4		68.3	
Financing related costs (included in other expense, net)	—		40.8		—		40.8	
Acquisition related costs (primarily included in SG&A, other expense, net and interest expense) (e)	110.5		92.3		346.7		243.7	
Acquisition related customer incentive (included in third party net sales)	—		17.1		—		17.1	
Restructuring and other special items included in:								
Cost of sales	21.7		5.1		47.9		19.8	
Research and development expense (f)	22.2		0.6		98.7		18.5	
Selling, general and administrative expense	12.3		8.6		31.3		41.3	
Other expense, net	(1.4)		(1.2)		1.3		6.9	
Tax effect of the above items and other income tax related items	(343.9)		(124.9)		(490.5)		(289.5)	
Adjusted net earnings attributable to Mylan N.V. and adjusted diluted EPS	\$ 726.4	\$ 1.38	\$ 733.8	\$ 1.43	\$ 1,705.1	\$ 3.31	\$ 1,517.2	\$ 3.08
Weighted average diluted ordinary shares outstanding	526.3		514.0		515.2		493.2	

(a) Includes amortization of the purchase accounting inventory fair value step-up for Meda, the Topicals Business and Jai Pharma Limited totaling approximately \$56.1 million and \$58.6 million for the three and nine months ended September 30, 2016. Includes amortization of the purchase accounting inventory fair value step-up for the EPD Business of approximately \$35.4 million for the nine months ended September 30, 2015.

(b) Includes \$465 million related to the Medicaid Drug Rebate Program Settlement for the three and nine months ended September 30, 2016. This amount is included in litigation settlements and other contingencies, net in the Condensed Consolidated Statements of Operations.

(c) Includes approximately \$90 million related to the Strides Settlement for the three and nine months ended September 30, 2016. This amount is included in litigation settlements and other contingencies, net in the Condensed Consolidated Statements of Operations.

(d) Adjustment represents exclusion of the pre-tax loss related to Mylan's clean energy investments and related financing, the activities of which qualify for income tax credits under Section 45 of the Code. The amount is included in other expense, net in the Condensed Consolidated Statements of Operations.

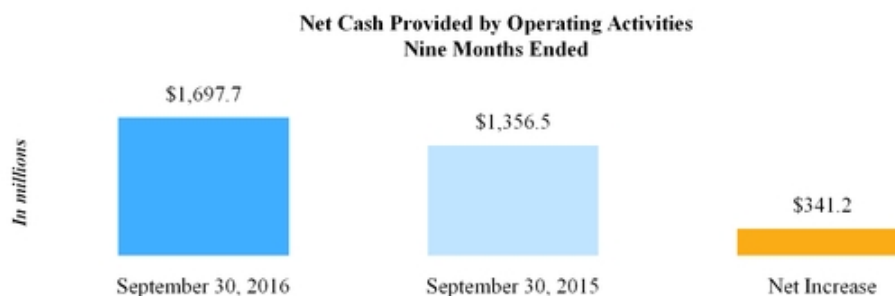
(e) Acquisition related costs primarily relate to ongoing acquisition and integration activities. Such costs included in other expense, net is approximately \$44.4 million and \$128.6 million of losses related to the Company's SEK non-designated foreign currency contracts for the three and nine months ended September 30, 2016, respectively. Included in SG&A for the three and nine months ended September 30, 2016 is approximately \$39.7 million and \$102.4 million, respectively, primarily related to consulting, professional and legal costs. Included in interest expense, net for the three and nine months ended September 30, 2016 is approximately \$19.7 million and \$33.6 million of interest expense, respectively, related to the issuance of June 2016 Senior Notes for the period prior to the completion date of the Offer.

- (f) R&D expense includes a \$45 million upfront payment to Momenta and \$15 million of milestone payments to Theravance Biopharma for the nine months ended September 30, 2016. In addition, included in this amount for the three and nine months ended September 30, 2016 is approximately \$9.0 million and \$22.3 million, respectively, of R&D expense incurred related to the Company's collaboration with Momenta.

Liquidity and Capital Resources

Our primary source of liquidity is cash provided by operations, which was \$1.70 billion for the nine months ended September 30, 2016. We believe that cash provided by operating activities and available liquidity will continue to allow us to meet our needs for working capital, capital expenditures and interest and principal payments on debt obligations. Nevertheless, our ability to satisfy our working capital requirements and debt service obligations, or fund planned capital expenditures, will substantially depend upon our future operating performance (which will be affected by prevailing economic conditions), and financial, business and other factors, some of which are beyond our control.

Operating Activities



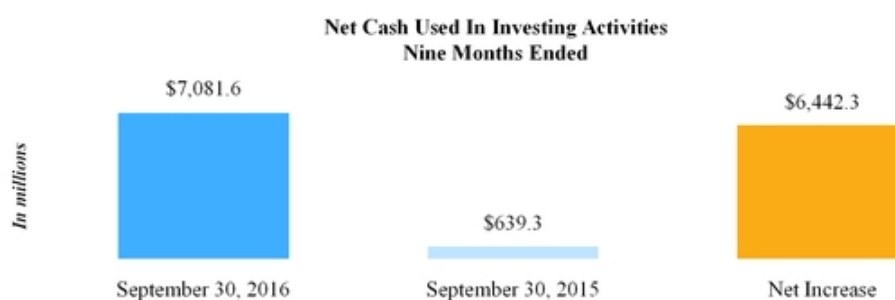
Net cash provided by operating activities increased by \$341.2 million to \$1.70 billion for the nine months ended September 30, 2016, as compared to net cash provided by operating activities of \$1.36 billion for the nine months ended September 30, 2015. The net increase in cash provided by operating activities was principally due to the following:

- an increase in non-cash expenses of \$1.09 billion including increased depreciation and amortization as a result of recent acquisitions of approximately \$355.0 million, \$465.0 million related to the Medicaid Drug Rebate Program Settlement, \$90 million related to the Strides Settlement, the write off of certain financing fees and a number of other charges including the accretion of contingent consideration and increased losses in equity method investments;
- a net increase in the amount of cash provided by changes in accounts receivable, including estimated sales allowances of \$237.6 million, reflecting the timing of sales, cash collections and disbursements related to sales allowances; and
- a net decrease in the amount of cash used in changes in income taxes payable of \$229.8 million as a result of a lower amount of estimated tax payments made during the current year.

These items were partially offset by the following:

- a decrease in net earnings of \$590.6 million, including a \$294.4 million increase in the benefit for deferred income taxes; and
- a net decrease in the amount of cash provided by changes in trade accounts payable of \$287.5 million as a result of the timing of cash payments.

Investing Activities



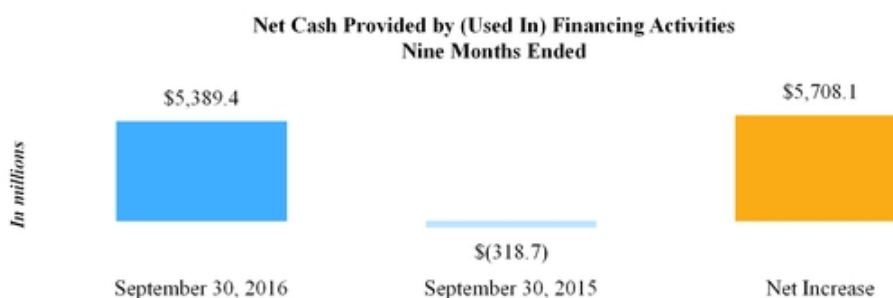
Cash used in investing activities was \$7.08 billion for the nine months ended September 30, 2016, as compared to \$639.3 million for the nine months ended September 30, 2015, a net increase of \$6.44 billion. The net increase in cash used in investing activities was principally the result of the following:

- an increase in net cash paid for acquisitions of \$6.15 billion which relates to the Company's acquisitions of Meda and the Topicals Business;
- an unconditional deferred payment of \$308 million relating to Meda's acquisition of Rottapharm S.p.A paid in the third quarter of 2016 as a result of the acquisition of Meda;
- a \$128.6 million settlement of the Company's non-designated foreign exchange forward and option contracts used to economically hedge the foreign currency exposure associated with the payment of the Swedish krona-denominated cash portion of the purchase price of Meda;
- an increase in restricted cash of \$76.4 million. In the current year, restricted cash increased approximately \$50 million related to amounts deposited in escrow for potential contingent consideration payments in connection with the acquisition of the Topicals Business; and
- an increase in capital expenditures, primarily for equipment and facilities, which totaled approximately \$239.5 million in the current period, compared to \$207.3 million in the comparable prior year period. While there can be no assurance that current expectations will be realized, capital expenditures for the 2016 calendar year are expected to be approximately \$400 million to \$450 million.

These items were partially offset by the following:

- a decrease in payments for product rights and other investing activities, net, which totaled \$196.3 million for the nine months ended September 30, 2016, as compared to \$428.2 million in the prior year period. In the current year, the Company paid \$57.9 million to acquire a marketed pharmaceutical product and \$90 million to acquire certain European intellectual property rights and marketing authorizations, which was accrued for at December 31, 2015. The prior year payments were the result of the acquisition of certain commercialization rights in the U.S. and other countries; and
- a decrease in the purchase of marketable securities, which totaled \$22.8 million during the nine months ended September 30, 2016, as compared to \$59.1 million in the prior year period. This change is primarily attributable to the Company's investment in Theravance Biopharma's common stock in the prior year.

Financing Activities



Cash provided by financing activities was \$5.39 billion for the nine months ended September 30, 2016, compared to cash used in financing activities of \$318.7 million for the nine months ended September 30, 2015, a net increase of \$5.71 billion. The net increase in cash provided by financing activities was principally the result of the following:

- an increase in proceeds from long-term debt of \$4.1 billion which was attributable to the Company’s issuance of \$1.00 billion aggregate principal amount of 2.500% Senior Notes due 2019, \$2.25 billion aggregate principal amount of 3.150% Senior Notes due 2021, \$2.25 billion aggregate principal amount of 3.950% Senior Notes due 2026, and \$1.00 billion aggregate principal amount of 5.250% Senior Notes due 2046 (collectively, the “June 2016 Senior Notes”) in the second quarter of 2016 in anticipation of the completion of the acquisition of Meda. In the prior year period, the Company received proceeds of approximately \$2.4 billion under various financings;
- a decrease in payments of long-term debt, which totaled \$1.07 billion for the nine months ended September 30, 2016, as compared to \$4.33 billion for the nine months ended September 30, 2015. In the current year, the Company paid the principal amount of \$500.0 million on the 1.800% Senior Notes due 2016 which matured on June 24, 2016 and repaid approximately \$567 million of Meda’s bank loans. In the prior year, the Company paid \$2.54 billion in connection with the conversion of the Cash Convertible Notes on September 15, 2015 and paid \$1.08 billion in connection with the redemption of the 7.875% Senior Notes due 2020 (the “2020 Senior Notes”); and
- an increase in the change in short-term borrowings of \$378.3 million. In the prior year period, the Company decreased the borrowings under the accounts receivable securitization facility (the “Receivables Facility”) by approximately \$325 million, net.

These items were partially offset by the following:

- a decrease in proceeds from the cash convertible note hedge which totaled \$1.97 billion in the prior year as the cash convertible note hedge settled in the third quarter of 2015 in conjunction with the maturity and full redemption of the Cash Convertible Notes; and
- a decrease in proceeds from the exercise of stock options which totaled \$11.1 million in the current year, as compared to \$92.8 million in the prior year period.

Capital Resources

Our cash and cash equivalents at our non-U.S. operations totaled \$1.19 billion at September 30, 2016. These funds are available to purchase the non-tendered Meda shares through the November Offer and compulsory acquisition proceeding. The Company anticipates having sufficient U.S. liquidity, including existing borrowing capacity and cash to be generated from operations, to fund foreseeable U.S. cash needs without requiring the repatriation of non-U.S. cash. If these funds are ultimately needed for the Company’s operations in the U.S., the Company may be required to accrue and pay U.S. taxes to repatriate these funds. If funds are needed from the Company’s subsidiaries that do not have an ultimate U.S. parent, the Company will generally not be required to accrue and pay taxes to repatriate these funds because its foreign parent would not be subject to tax on receipt of these distributions.

Meda Borrowings

Upon settlement of the Offer on August 5, 2016, Meda became a controlled subsidiary of Mylan. Meda is party to certain debt obligations, all of which remained outstanding following the settlement of the Offer. During the three months ended September 30, 2016, the Company repaid approximately \$567 million of Meda's bank loans. Meda's outstanding debt obligations and committed bank facilities contained change of control provisions that were triggered upon settlement of the Offer. Meda's debt financing includes approximately 16.7kr billion of borrowings under a syndicated bank facility of 25kr billion with nine Swedish and foreign banks. This financing is augmented with borrowings via a Swedish MTN program with an upper limit of 7kr billion, a Swedish commercial paper program with an upper limit of 4kr billion and a bilateral bank loan of 2kr billion.

The settlement of the Offer constituted a change of control under the Facilities Agreement, dated as of December 17, 2014 (as amended on October 29, 2015, the "Facilities Agreement"), among Meda, as borrower, the lenders party thereto (the "Lenders") and Danske Bank A/S, as agent ("Danske"). As of September 30, 2016, there was \$1.94 billion aggregate principal amount of loans outstanding under the Facilities Agreement. On August 30, 2016, Meda entered into the Amendment and Waiver Letter (the "Amendment") to the Facilities Agreement, between Meda, as borrower, and Danske Bank A/S, as agent on behalf of the Lenders. The Amendment provides that (i) the lenders under the Facilities Agreement waive any put rights arising in connection with the Company's acquisition of a majority of the issued share capital in Meda or any action taken in connection therewith; (ii) the termination date in respect of each of the loans and commitments under the Facilities Agreement will be August 30, 2017; and (iii) a change of control will occur under the Facilities Agreement if (a) the Company fails to, directly or indirectly, own all or substantially all of the issued share capital or votes in Meda or (b) any person (other than Stichting Preferred Shares Mylan) acquires more than 50% of the issued share capital or votes in the Company. Of the total facility amount of 25kr billion, the Company has available approximately 7.9kr billion (\$925.1 million) of uncommitted borrowings at September 30, 2016.

The settlement of the Offer constituted a change of control under the terms of the notes issued by Meda under its MTN program. In accordance with the terms of the notes, Meda notified the noteholders of the occurrence of the change of control on August 5, 2016. As of September 30, 2016, there was \$157.5 million aggregate principal amount of notes outstanding under the MTN program. As a result of such change of control, each noteholder had an individual right (a "put right") to demand early redemption of the notes at their principal amount, together with accrued interest up to and including the date of redemption. The date of redemption for the notes of the noteholders that chose to exercise their put rights was November 3, 2016 and approximately \$2.0 million was paid on that date.

The settlement of the Offer constituted a Change of Control (as defined in the Loan Agreement referred to below) under the Loan Agreement, dated as of September 17, 2014 (the "Loan Agreement"), between Meda, as borrower, and AB Svensk Exportkredit (publ), as lender ("Svensk Exportkredit"). As of September 30, 2016, there was \$233.3 million aggregate principal amount of loans outstanding under the Loan Agreement. In accordance with the terms of the Loan Agreement, Meda notified Svensk Exportkredit of the Change of Control. No agreement to amend the terms of the Loan Agreement was reached within 30 days of Svensk Exportkredit's receipt of notice from Meda of the Change of Control. Svensk Exportkredit may cancel its commitment and demand repayment of the loans under the Loan Agreement by notice to Meda, with repayment to be made not less than 30 days after such notice to Meda. The loans under the Loan Agreement will be repaid in accordance with the terms thereof.

The Facilities Agreement contains customary affirmative covenants, including among others, covenants pertaining to the delivery of financial statements, notices of default and certain material events, maintenance of authorizations, property, and insurance and compliance with laws, as well as customary negative covenants, including limitations on the incurrence of subsidiary indebtedness, disposals, loans and guarantees, liens, mergers and certain other corporate reconstructions, acquisitions and changes in Meda's lines of business. Pursuant to the Facilities Agreement, Meda must deliver to Danske (i) within 60 days after the end of each consecutive three month period of its financial years, its unaudited consolidated financial statements for such three month period and (ii) within 120 days after the end of each of its financial years, its audited consolidated financial statements for such financial year. The Facilities Agreement contains financial covenants limited to (i) a maximum senior net debt to EBITDA ratio and (ii) a minimum EBITDA interest coverage ratio.

The MTN program contains covenants that, among other things, restrict Meda's ability and the ability of certain of Meda's subsidiaries to substantially change the general nature of its business; create liens to secure debt securities or other publicly traded debt; or sell or dispose of Meda's assets to the extent such sales or disposition could jeopardize Meda's ability to fulfill its obligations under the MTN program; and require Meda to maintain the listing of the loans under the MTN program on

Nasdaq Stockholm. As long as the loans under the MTN program are listed on Nasdaq Stockholm, Meda is required to comply with certain Nasdaq Stockholm financial reporting requirements. The MTN program also provides for customary events of default (subject in certain cases to customary grace and cure periods), which include nonpayment, breach of covenants, payment defaults or acceleration of other indebtedness, failure to pay certain judgments and certain events of bankruptcy and insolvency. These covenants and events of default are subject to a number of important qualifications, limitations and exceptions that are described in the general terms and conditions of the MTN program. If an event of default with respect to the loans under the MTN program occurs, the principal amount of all of the loans under the MTN program then outstanding, plus accrued and unpaid interest, if any, to the date of acceleration, may become immediately due and payable.

The Loan Agreement contains customary affirmative covenants, including among others, covenants pertaining to the delivery of financial statements, notices of default and certain material events, maintenance of authorizations and compliance with laws, as well as customary negative covenants, including limitations on the incurrence of subsidiary indebtedness, disposals, liens, mergers and certain other corporate reconstructions and changes in Meda's lines of business. Pursuant to the Loan Agreement, Meda must deliver to Svensk Exportkredit (i) within 60 days after the end of each consecutive three month period of its financial years, its unaudited consolidated financial statements for such three month period and (ii) within 120 days after the end of each of its financial years, its audited consolidated financial statements for such financial year. The Loan Agreement contains financial covenants limited to (i) a maximum senior net debt to EBITDA ratio, (ii) a maximum senior net debt to equity ratio and (iii) a minimum EBITDA interest coverage ratio.

Issuance of June 2016 Senior Notes

During the second quarter of 2016, in anticipation of the completion of the Offer, Mylan N.V. issued the June 2016 Senior Notes in a private offering exempt from the registration requirements of the Securities Act of 1933, as amended (the "Securities Act"), to qualified institutional buyers in accordance with Rule 144A and to persons outside of the U.S. pursuant to Regulation S under the Securities Act. The June 2016 Senior Notes were issued pursuant to an indenture, dated as of June 9, 2016 (the "Indenture"), among the Company, Mylan Inc., as guarantor (the "Guarantor"), and The Bank of New York Mellon, as trustee. The June 2016 Senior Notes were guaranteed by Mylan Inc. upon issuance. In addition, the Company entered into a registration rights agreement, dated as of June 9, 2016, pursuant to which the Company and Mylan Inc. will use commercially reasonable efforts to file a registration statement with respect to an offer to exchange each series of the June 2016 Senior Notes for new notes with the same aggregate principal amount and terms identical in all material respects and to cause the exchange offer registration statement to be declared effective by the SEC and to consummate the exchange offer not later than 365 days following the date of issuance of the June 2016 Senior Notes.

The Indenture contains covenants that, among other things, restrict the Company's ability and the ability of certain of its subsidiaries to enter into sale and leaseback transactions; create liens; consolidate, merge or sell all or substantially all of the Company's assets; and with respect to such subsidiaries only, guarantee certain of our or our other subsidiaries' outstanding obligations or incur certain obligations without also guaranteeing our obligations under the June 2016 Senior Notes on a senior basis. The Indenture also provides for customary events of default (subject in certain cases to customary grace and cure periods), which include nonpayment, breach of covenants, payment defaults or acceleration of other indebtedness, failure to pay certain judgments and certain events of bankruptcy and insolvency. These covenants and events of default are subject to a number of important qualifications, limitations and exceptions that are described in the Indenture. If an event of default with respect to the June 2016 Senior Notes of a series occurs under the Indenture, the principal amount of all of the June 2016 Senior Notes of such series then outstanding, plus accrued and unpaid interest, if any, to the date of acceleration, may become immediately due and payable.

The 2.500% Senior Notes due 2019 mature on June 7, 2019, subject to earlier repurchase or redemption in accordance with the terms of the Indenture. The 2.500% Senior Notes due 2019 bear interest at a rate of 2.500% per annum, accruing from June 9, 2016. Interest on the 2.500% Senior Notes due 2019 is payable semi-annually in arrears on June 7 and December 7 of each year, commencing on December 7, 2016. The 3.150% Senior Notes due 2021 mature on June 15, 2021, subject to earlier repurchase or redemption in accordance with the terms of the Indenture. The 3.150% Senior Notes due 2021 bear interest at a rate of 3.150% per annum, accruing from June 9, 2016. Interest on the 3.150% Senior Notes due 2021 is payable semi-annually in arrears on June 15 and December 15 of each year, commencing on December 15, 2016. The 3.950% Senior Notes due 2026 mature on June 15, 2026, subject to earlier repurchase or redemption in accordance with the terms of the Indenture. The 3.950% Senior Notes due 2026 bear interest at a rate of 3.950% per annum, accruing from June 9, 2016. Interest on the 3.950% Senior Notes due 2026 is payable semi-annually in arrears on June 15 and December 15 of each year, commencing on December 15, 2016. The 5.250% Senior Notes due 2046 mature on June 15, 2046, subject to earlier repurchase or redemption in accordance with the terms of the Indenture. The 5.250% Senior Notes due 2046 bear interest at a rate of 5.250% per annum, accruing from

June 9, 2016. Interest of the 5.250% Senior Notes due 2046 is payable semi-annually in arrears on June 15 and December 15 of each year, commencing on December 15, 2016.

At September 30, 2016, the outstanding balance of the 2.500% Senior Notes due 2019, 3.150% Senior Notes due 2021, 3.950% Senior Notes due 2026 and 5.250% Senior Notes due 2046 was \$999.0 million, \$2.25 billion, \$2.23 billion and \$999.8 million, respectively, which includes discounts of \$1.0 million, \$2.5 million, \$16.9 million and \$0.2 million, respectively. During the nine months ended September 30, 2016, the Company incurred approximately \$47.9 million in financing fees, which were recorded as deferred financing costs in the Condensed Consolidated Balance Sheets.

2016 Bridge Credit Agreement

In connection with the Offer, on February 10, 2016, the Company entered into a Bridge Credit Agreement (the “2016 Bridge Credit Agreement”), among the Company, as borrower, Mylan Inc., as guarantor, Deutsche Bank AG Cayman Islands Branch, as administrative agent and a lender, Goldman Sachs Bank USA, as a lender, Goldman Sachs Lending Partners LLC, as a lender, and other lenders party thereto from time to time. The Company incurred total financing and ticking fees of approximately \$45.2 million related to the 2016 Bridge Credit Agreement. During the first quarter of 2016, the Company wrote off approximately \$3.0 million of financing fees related to the Tranche B Loans (as defined in the 2016 Bridge Credit Agreement) in conjunction with the termination of the Tranche B Loans. The remaining commitments under the 2016 Bridge Credit Agreement were permanently terminated in their entirety in connection with the completion of the offering of the June 2016 Senior Notes. As a result of the termination of the 2016 Bridge Credit Agreement, the Company expensed the remaining \$30.2 million of unamortized financing fees related to the 2016 Bridge Credit Agreement to other expense, net in the Condensed Consolidated Statements of Operations during the second quarter of 2016.

Revolving Facility

On December 19, 2014, the Company entered into a revolving credit agreement, which was amended on May 1, 2015, and further amended on June 19, 2015 and October 28, 2015 (the “Revolving Credit Agreement”) with a syndicate of lenders, which contains a \$1.65 billion revolving facility (the “Revolving Facility”), which expires on December 19, 2019. At September 30, 2016 and December 31, 2015, we had no amounts outstanding under the Revolving Facility. The interest rate under the Revolving Facility is LIBOR (determined in accordance with the Revolving Credit Agreement) plus 1.325% per annum. In addition, the Revolving Facility has a facility fee which is 0.175%. At September 30, 2016 and December 31, 2015, we had a total of \$10.5 million and \$11.1 million outstanding under existing letters of credit, respectively. Additionally, as of September 30, 2016, we had \$144.0 million available under the \$150 million subfacility on our Revolving Facility for the issuance of letters of credit.

Amendment to the Revolving Facility, 2015 Term Loans and 2014 Term Loan

On February 22, 2016, the Company and Mylan Inc. (the “Borrower”) entered into (i) Amendment No. 3 (the “Revolving Amendment”) to the Revolving Credit Agreement dated December 19, 2014, as amended on May 1, 2015, further amended on June 19, 2015 and further amended on October 28, 2015 (as amended further by the Revolving Amendment, the “Revolving Credit Agreement”) which provided for a \$1.65 billion revolving facility (the “Revolving Facility”), among the Borrower, the Company, certain lenders and issuing banks and Bank of America, N.A., as administrative agent, (ii) Amendment No. 2 (the “2015 Term Amendment”) to the Term Credit Agreement dated July 15, 2015, as amended on October 28, 2015 (as amended further by the 2015 Term Amendment, the “2015 Term Credit Agreement”) which provided for a delayed-draw term loan credit facility including loans totaling \$1.6 billion (the “2015 Term Loans”), among the Borrower, the Company, certain lenders and PNC Bank, National Association, as administrative agent, and (iii) Amendment No. 3 (the “2014 Term Amendment”) to the Term Credit Agreement dated December 19, 2014, as amended on May 1, 2015 and further amended on October 28, 2015 (as amended further by the 2014 Term Amendment, the “2014 Term Credit Agreement”) which provided for an \$800 million term loan (the “2014 Term Loan”), among the Borrower, the Company, certain lenders and Bank of America, N.A., as administrative agent. The Revolving Amendment, 2015 Term Amendment and 2014 Term Amendment provide that the Company’s acquisition of Meda constitutes a Qualified Acquisition (as defined in each of the Revolving Credit Agreement, the 2014 Term Credit Agreement and the 2015 Term Credit Agreement) and amends the event of default provisions to provide that any “change of control” put rights under any indebtedness of any Acquired Entity or Business (as defined in each of the Revolving Credit Agreement, the 2014 Term Credit Agreement and the 2015 Term Credit Agreement) or its subsidiaries that are triggered as a result of the acquisition of any Acquired Entity or Business will not result in an event of default so long as any such indebtedness that is put in accordance with the terms of such indebtedness is paid as required by the terms of such indebtedness.

Long-term Debt Maturity

Mandatory minimum repayments remaining on the outstanding long-term debt at September 30, 2016, excluding the discounts and premiums, are as follows for each of the periods ending December 31:



The Company's next significant debt maturity is on November 29, 2016, as the Company's 1.350% Senior Notes due 2016 mature. The Company intends to utilize available liquidity to fund the repayment of the 1.350% Senior Notes due 2016. In addition, the loans of \$233.3 million under Meda's Loan Agreement, due October 2017, are callable by the lender as a result of the completion of the Offer. The Company expects to use available liquidity to repay this amount if called.

The Company's 2015 Term Loans, 2014 Term Loan and Revolving Facility contain customary affirmative covenants for facilities of this type, including among others, covenants pertaining to the delivery of financial statements, notices of default and certain material events, maintenance of corporate existence and rights, property, and insurance and compliance with laws, as well as customary negative covenants for facilities of this type, including limitations on the incurrence of subsidiary indebtedness, liens, mergers and certain other fundamental changes, investments and loans, acquisitions, transactions with affiliates, payments of dividends and other restricted payments and changes in our lines of business. The 2015 Term Loans, 2014 Term Loan and Revolving Facility contain a maximum consolidated leverage ratio financial covenant. We have been compliant with these financial covenants during the nine months ended September 30, 2016, and we expect to remain in compliance for the next twelve months.

Collaboration and Licensing Agreements

We periodically enter into collaboration and licensing agreements with other pharmaceutical companies for the development, manufacture, marketing and/or sale of pharmaceutical products. Our significant collaboration agreements are focused on the development, manufacturing, supply and commercialization of multiple, high-value generic biologic compounds, insulin analog products and respiratory products. Under these agreements, we have future potential milestone payments and co-development expenses payable to third parties as part of our licensing, development and co-development programs. Payments under these agreements generally become due and are payable upon the satisfaction or achievement of certain developmental, regulatory or commercial milestones or as development expenses are incurred on defined projects. Milestone payment obligations are uncertain, including the prediction of timing and the occurrence of events triggering a future obligation and are not reflected as liabilities in the Condensed Consolidated Balance Sheets, except for milestone and royalty obligations reflected as acquisition contingent consideration. These agreements may also include potential sales based milestones and call for us to pay a percentage of amounts earned from the sale of the product as a royalty or a profit share. These sales based milestones or royalty obligations may be significant depending upon the level of commercial sales for each product.

Our most significant contingent payment relates to the potential future consideration related to the respiratory delivery platform. These payments are contingent upon the occurrence of certain future events and the ultimate success of the respective projects. Given the inherent uncertainty of these events, it is unclear when, if ever, we may be required to pay such amounts or pay amounts in excess of those accrued. The Company has also recorded contingent consideration related to the acquisition of the Topicals Business, the acquisition of Jai Pharma Limited, the acquisition of Agila Specialties Private Limited ("Agila") and certain other acquisitions. The amount of contingent consideration recorded was \$651.5 million and \$526.4 million at

September 30, 2016 and December 31, 2015, respectively. Approximately \$110 million related to the Strides Settlement is included in the balance at September 30, 2016. In addition, the Company expects to incur approximately \$35 million to \$40 million of annual accretion expense related to the increase in the net present value of the contingent consideration liability.

On January 8, 2016, the Company entered into an agreement with Momenta to develop, manufacture and commercialize up to six of Momenta's current biosimilar candidates, including Momenta's biosimilar candidate, ORENCIA® (abatacept). Mylan paid an up-front cash payment of \$45 million to Momenta. Under the terms of the agreement, Momenta is eligible to receive additional contingent milestone payments of up to \$200 million. The Company and Momenta will jointly be responsible for product development and will equally share in the costs and profits related to the products. Under the agreement, Mylan will lead the worldwide commercialization efforts.

On November 2, 2016, the Company and Momenta announced that dosing had begun in a Phase 1 study to compare the pharmacokinetics, safety and immunogenicity of M834, a proposed bisoimilar or ORENCIA® (abatacept), to U.S. and European Union sourced ORENCIA® in normal healthy volunteers. Under the agreement, Momenta has achieved the milestone necessary to earn a \$25 million payment from the Company which will be paid in the fourth quarter of 2016.

We are actively pursuing, and are currently involved in, joint projects related to the development, distribution and marketing of both generic and branded products. Many of these arrangements provide for payments by us upon the attainment of specified milestones. While these arrangements help to reduce the financial risk for unsuccessful projects, fulfillment of specified milestones or the occurrence of other obligations may result in fluctuations in cash flows.

Other Commitments

We are involved in various legal proceedings that are considered normal to our business. While it is not possible to predict the outcome of such proceedings, an adverse outcome in any of these proceedings could materially affect our business, financial condition, results of operations, and cash flows and could cause the market value of our ordinary shares to decline. We have approximately \$525 million accrued for legal contingencies, the majority of which relates to the Medicaid Drug Rebate Program Settlement. For certain contingencies assumed in conjunction with the acquisition of the former Merck Generics business, Merck KGaA, the seller, has agreed to indemnify Mylan. Strides has also agreed to indemnify Mylan for certain contingencies related to our acquisition of Agila. The inability or denial of Merck KGaA, Strides Arcolab, or another indemnitor or insurer to pay on an indemnified claim could have a material adverse effect on our business, financial condition, results of operations, cash flows and/or ordinary share price.

We are continuously evaluating the potential acquisition of products, as well as companies, as a strategic part of our future growth. Consequently, we may utilize current cash reserves or incur additional indebtedness to finance any such acquisitions, which could impact future liquidity. In addition, on an ongoing basis, we review our operations including the evaluation of potential divestitures of products and businesses as part of our future strategy. Any divestitures could impact future liquidity.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

For a discussion of the Company's market risk, see "Item 7A. Quantitative and Qualitative Disclosures about Market Risk" in Mylan N.V.'s Annual Report filed on Form 10-K for the year ended December 31, 2015, as amended.

ITEM 4. CONTROLS AND PROCEDURES

An evaluation was performed under the supervision and with the participation of the Company's management, including the Principal Executive Officer and the Principal Financial Officer, of the effectiveness of the design and operation of the Company's disclosure controls and procedures as of September 30, 2016. Based upon that evaluation, the Principal Executive Officer and the Principal Financial Officer concluded that the Company's disclosure controls and procedures were effective.

Management identified the following change in the Company's internal control over financial reporting ("ICFR") that occurred during the quarter that has materially affected, or is reasonably likely to materially affect, the Company's ICFR. During the quarter ended September 30, 2016, the Company began to implement and use a new Enterprise Resource Planning ("ERP") system in certain countries, which, when completed, will handle the business, financial and administrative processes for the Company. The Company has modified and will continue to modify its internal controls relating to its business and

financial processes throughout the entire ERP system implementation, which is expected to progress through the end of calendar 2017. While the Company believes that this new system and the related changes to internal controls will ultimately strengthen its ICFR, there are inherent risks in implementing any new ERP system and the Company will continue to evaluate and test control changes in order to provide certification as of its fiscal year ending December 31, 2016 on the effectiveness of its ICFR.

During the three months ended September 30, 2016, the Company completed the acquisition of Meda. Meda represented approximately 11% and 4% of the Company's consolidated total revenues for the three months and nine months ended September 30, 2016, respectively, and its assets (including intangible assets and goodwill) represented approximately 36% of the Company's consolidated total assets, at September 30, 2016. Management did not include Meda when conducting its evaluation of changes in ICFR as of September 30, 2016. Meda is expected to be excluded from Management's evaluation of the Company's ICFR at December, 31 2016.

PART II — OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

For information regarding legal proceedings, refer to Note 18 *Contingencies*, in the accompanying Notes to interim financial statements in this Quarterly Report.

ITEM 1A. RISK FACTORS

Except as set forth below, there have been no material changes in the Company's risk factors from those disclosed in Mylan's Annual Report on Form 10-K for the year ended December 31, 2015, as amended, and Mylan's Quarterly Report on Form 10-Q for the quarter ended March 31, 2016.

Risks Related to the Business of Mylan

WE MAY BE ADVERSELY AFFECTED BY INCREASED SCRUTINY FROM THIRD PARTIES, INCLUDING GOVERNMENTS, OR NEGATIVE PUBLICITY WITH RESPECT TO MATTERS RELATING TO OUR PRODUCTS AND PRICING PRACTICES, AND OTHER MATTERS RELATED TO THE COMPANY, AND WE HAVE AND MAY CONTINUE TO EXPERIENCE PRICING PRESSURE ON THE PRICE OF CERTAIN OF OUR PRODUCTS DUE TO SOCIAL OR POLITICAL PRESSURE TO LOWER THE COST OF DRUGS, WHICH COULD REDUCE OUR REVENUE AND FUTURE PROFITABILITY.

There has been increased press coverage and increased scrutiny from third parties, including regulators, legislative bodies and enforcement agencies, with respect to matters relating to the Company's business and pricing practices, and other matters related to the Company. This increased press coverage, public scrutiny and protests by some consumers have included assertions of wrongdoing by the Company which, regardless of the factual or legal basis for such assertions, have resulted in, and may continue to result in, investigations, and calls for investigations, by governmental agencies at both the federal and state level and have resulted in, and may continue to result in, claims brought against the Company by governmental agencies or by private parties or by regulators taking other measures that could have a negative effect on the Company's business. It is not possible at this time to predict the ultimate outcome of any such investigations or claims or what other investigations or lawsuits or regulatory responses may result from such assertions, or their impact on the Company's business, financial condition, results of operations, cash flows, and/or ordinary share price. Any such investigation or claim could also result in reputational harm and reduced market acceptance and demand for our products, could harm our ability to market our products in the future, could cause us to incur significant expense, could cause our senior management to be distracted from execution of our business strategy, and could have a material adverse effect on our business, financial condition, results of operations and growth prospects.

There has also recently been intense publicity regarding the pricing of pharmaceuticals more generally, including publicity and pressure resulting from prices charged by competitors and peer companies for new products as well as price increases by competitors and peer companies on older products that the public has deemed excessive. We have experienced and may continue to experience downward pricing pressure on the price of certain of our products due to social or political pressure to lower the cost of drugs, which could reduce our revenue and future profitability.

Accompanying the press and media coverage of pharmaceutical pricing practices and public complaints about the same, there has been increasing U.S. federal and state legislative and enforcement interest with respect to drug pricing. In particular, U.S. federal prosecutors recently issued subpoenas to pharmaceutical companies, including Mylan, seeking information about their drug pricing practices, among other issues, and members of the U.S. Congress have sought information from certain pharmaceutical companies, including Mylan, relating to drug-price increases. Additionally, there have been several recent U.S. Congressional inquiries and proposed bills designed to, among other things, bring more transparency to drug pricing, review the relationship between pricing and manufacturer patient programs, and reform government program reimbursement methodologies for drugs. For example, in late 2015 the U.S. House of Representatives formed an Affordable Drug Pricing Task Force to advance legislation intended to control pharmaceutical drug costs and investigate pharmaceutical drug pricing. Since then, both the U.S. House of Representatives and the U.S. Senate have conducted numerous hearings with respect to pharmaceutical drug pricing practices, including in connection with the investigation of specific price increases by several pharmaceutical companies such as Mylan. In addition to the effects of any investigations or claims brought against the Company described above, our revenue and future profitability could also be negatively affected if any such inquiries, of us or

of other pharmaceutical companies or the industry more generally, were to result in legislative or regulatory proposals that limit our ability to increase the prices of our products.

Any of the events or developments described above could have a material adverse impact on our business, financial condition or results of operations, as well as on our reputation.

ITEM 6. EXHIBITS

- 10.1 Facilities Agreement, dated December 17, 2014, among Meda AB (publ), as borrower, certain lenders party thereto, and Danske Bank A/S, as agent.
- 10.2 Amendment Letter, dated October 29, 2015, to the Facilities Agreement, dated December 17, 2014, among Meda AB (publ), as borrower, certain lenders party thereto, and Danske Bank A/S, as agent.
- 10.3 Amendment and Waiver Letter, dated August 30, 2016, to the Facilities Agreement, dated December 17, 2014, as amended by the Amendment Letter, dated October 29, 2015, among Meda AB (publ), as borrower, certain lenders party thereto, and Danske Bank A/S, as agent.
- 10.4 Loan Agreement, dated September 17, 2014, between Meda AB (publ), as borrower, and AB Svensk Exportkredit (publ), as lender.

- 31.1 Certification of Principal Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
- 31.2 Certification of Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
- 32 Certification of Principal Executive Officer and Principal Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

- 101.INS XBRL Instance Document
- 101.SCH XBRL Taxonomy Extension Schema
- 101.CAL XBRL Taxonomy Extension Calculation Linkbase
- 101.DEF XBRL Taxonomy Definition Linkbase
- 101.LAB XBRL Taxonomy Extension Label Linkbase
- 101.PRE XBRL Taxonomy Extension Presentation Linkbase

- * Denotes management contract or compensatory plan or arrangement.

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.

Mylan N.V.
(Registrant)

By: /s/ Heather Bresch

Heather Bresch
Chief Executive Officer
(Principal Executive Officer)

November 9, 2016

/s/ Kenneth S. Parks

Kenneth S. Parks
Chief Financial Officer
(Principal Financial Officer)

November 9, 2016

EXHIBIT INDEX

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101.PRE	XBRL Taxonomy Extension Presentation Linkbase
*	Denotes management contract or compensatory plan or arrangement.

Facilities Agreement

between

Meda AB (publ)
as the Company

Danske Bank NS, Merchant Banking, Skandinaviska
Enskilda Banken AB (publ) and Nordea Bank AB (publ)
as Bookrunners

Danske Bank A/S, DNB Bank ASA, Sweden Branch,
Merchant Banking, Skandinaviska Enskilda Banken AB
(publ), Nordea Bank AB (publ) and Swedbank AB (publ)
as Mandated Lead Arrangers

The Financial Institutions set out in schedule 1
as lenders

and

Danske Bank A/S
as Agent

relating to

SEK 25,000,000,000 Multicurrency Term and Revolving
Credit Facilities

Simmons & Simmons

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THIS AGREEMENT is dated December 2014 and made

BETWEEN:

- (1) **MEDA AB (publ)** Reg No. 556427-2812, Sweden, (the "Company"),
- (2) **DANSKE BANK A/S, MERCHANT BANKING, SKANDINAVISKA ENSKILDA BANKEN AB (publ)** and **NORDEA BANK AB (publ)** as bookrunners and mandated lead arrangers (the "Bookrunners");
- (3) **DANSKE BANK A/S, DNB BANK ASA, SWEDEN BRANCH, MERCHANT BANKING, SKANDINAVISKA ENSKILDA BANKEN AB (publ), NORDEA BANK AB (publ)** and SWEDBANK AB (publ) as mandated lead arrangers and, together with the Bookrunners, the "Mandated Lead Arrangers");
- (4) **THE FINANCIAL INSTITUTIONS** set out in schedule 1 as lenders (the "Original Lenders"); and
- (5) **DANSKE BANK A/S** as agent (in this capacity, the "Agent").

IT IS AGREED as follows:

PART 1: INTERPRETATION

1. **Definitions and interpretation**

1.1. **Definitions**

In this Agreement:

“Acceptable Bank” means a bank or financial institution which has a rating for its long-term unsecured and non credit-enhanced debt obligations of A- or higher by Standard & Poor’s Rating Services or Fitch Ratings Ltd or A3 or higher by Moody’s Investor Services Limited or a comparable rating from an internationally recognised credit rating agency.

“Acquisition” means the acquisition by the Company of the Target Shares on the terms of the Acquisition Agreement, which completed on the Completion Date.

“Acquisition Agreement” means the sale and purchase agreement dated 30 July 2014 relating to the sale and purchase of the Target Shares and made between Meda Pharma S.p.A., the Company and the Vendor, as amended and supplemented on 7 October 2014.

“Affiliate” means, in relation to any person, a Subsidiary of that person or a Holding Company of that person or any other Subsidiary of that Holding Company.

“Agent’s Spot Rate of Exchange” means the Agent’s spot rate of exchange for the purchase of the relevant currency with the Base Currency in the European foreign exchange market at or about 11.00 a.m. on a particular day.

“Anti-Terrorism Laws” means the Executive Order, the Bank Secrecy Act (31 U.S.C. §§ 5311 et seq.), the Money Laundering Control Act of 1986 (18 U.S.C. §§ 1956 et seq.), the USA Patriot Act, the International Emergency Economic Powers Act (50 U.S.C. §§ 1701 et seq.), the Trading with the Enemy Act (50 U.S.C. App. §§ 1 et seq.), any other law or regulation administered by OFAC, and any similar law enacted in the United States after the date of this Agreement.

“Applicable Margin” means, in respect of any Loan, the margin as calculated in accordance with clause 9.3 (*Applicable Margin*) of this Agreement.

“Approved Acquisitions” means an acquisition (either directly or indirectly by way of a company acquisition) of:

- (1) branded OTC and prescription pharmaceuticals registered or to be registered with relevant authorities in relevant jurisdictions which the Company will be able to sell and market through its established distribution channels;
- (2) products or projects, in relation to OTC and prescription pharmaceuticals currently owned by the Company or for which the Company has distribution rights, such

products or projects not yet registered but currently being developed (each of (1) and (2) hereinafter referred to as “Acquired Products”); and

- (3) licenses and trademarks pertaining to the Acquired Products which are acquired with sole and unrestricted legal title, which, in each case, fulfils the following criteria:
- (A) no litigation is ongoing or threatened in relation to the legal title to or product liability of the Acquired Products;
 - (B) distribution rights for the Acquired Products are on a global basis or for individual jurisdictions in the Company’s existing markets or other OECD countries;
 - (C) the buyer of the Acquired Products is the Company or a Subsidiary, wholly owned (directly or indirectly) by the Company; and
 - (D) in case of an acquisition by purchase of a company, such company shall become a member of the Group.

The Company may also request that other acquisitions, not fulfilling the requisites under (A) to (D) above, shall be deemed to be an Approved Acquisition. Such request is subject to approval by the Majority Lenders and the response to such request shall not be unreasonably withheld or delayed.

“Assignment Agreement” means an agreement substantially in the form set out in Schedule 5 (*Form of Assignment Agreement*) or any other form agreed between the relevant assignor and assignee.

“Authorisation” means an authorisation, consent, approval, resolution, licence, exemption, filing, notarisation or registration.

“Availability Period” means:

- (A) in relation to Facility A, the period from and including the date of this Agreement to and including 30 April 2015;
- (B) in relation to Facility B, the period from and including the date of this Agreement, to and including 30 April 2015; and
- (C) in relation to Facility C, the period from and including the date of this Agreement, to and including the date falling one Month prior to the Termination Date for Facility C.

“Available Commitment” means, in relation to a Facility, a Lender’s Commitment under that Facility minus:

- (A) the Base Currency Amount of its participation in any outstanding Loans under that Facility; and
- (B) in relation to any proposed Loan, the Base Currency Amount of its participation in any Loans that are due to be made on or before the proposed Utilisation Date, other than, in relation to any proposed Loan under Facility C only, that Lender's participation in any Facility C Loans that are due to be repaid or prepaid on or before the proposed Utilisation Date.

“Available Facility” means, in relation to a Facility, the aggregate for the time being of each Lender's Available Commitment in respect of that Facility.

“Base Case Model” means the financial model including profit and loss, balance sheet and cashflow projections in agreed form relating to the Group prepared by the Company and provided to the Lenders on 20 November 2014.

“Base Currency” means SEK.

“Base Currency Amount” means, in relation to a Loan, the amount specified in the Utilisation Request delivered by the Company for that Loan (or, if the amount requested is not denominated in the Base Currency, that amount converted into the Base Currency at the Agent's Spot Rate of Exchange on the date which is three Business Days before the Utilisation Date or, if later, on the date the Agent receives the Utilisation Request in accordance with the terms of this Agreement), adjusted to reflect any repayment (other than, in relation to a Term Loan, a repayment arising from a change of currency), prepayment, consolidation or division of the Loan.

“Break Costs” means the amount (if any) by which:

- (A) the interest which a Lender should have received for the period from the date of receipt of all or any part of its participation in a Loan or Unpaid Sum to the last day of the current Interest Period in respect of that Loan or Unpaid Sum, had the principal amount or Unpaid Sum received been paid on the last day of that Interest Period;

exceeds:

- (B) the amount which that Lender would be able to obtain by placing an amount equal to the principal amount or Unpaid Sum received by it on deposit with a leading bank in the Relevant Interbank Market for a period starting on the Business Day following receipt or recovery and ending on the last day of the current Interest Period.

“Bridge Facilities Agreement” means the SEK 4,000,000,000 and EUR 2,600,000,000 bridge facility made available to the Company on the terms of a credit agreement dated 31 July 2014 between, among others, the Company and, the Agent and the Bookrunners.

“Business Day” means a day (other than a Saturday or Sunday) on which banks are open for general business in London and Stockholm and:

- (A) (in relation to any date for payment or purchase of a currency other than Euro) the principal financial centre of the country of that currency; or
- (B) (in relation to any date for payment or purchase of Euro) any TARGET Day.

“Clean-Up Default” means any Event of Default which arises as a consequence of any formal action, legal proceedings or other procedure or step being taken against the Target or any other member of the Target Group in respect of the Target Company Bond Loan.

“Clean-Up Period” means the period running from the date of this Agreement until (and including) 30 April 2015.

“Code” means the US Internal Revenue Code of 1986.

“Commitment” means a Facility A Commitment, Facility B Commitment or Facility C Commitment.

“Completion Date” means 10 October 2014.

“Compliance Certificate” means a certificate substantially in the form set out in schedule 7 (*Form of Compliance Certificate*).

“Confidential Information” means all information relating to the Company, the Group the Finance Documents or the Facility of which a Finance Party becomes aware in its capacity as, or for the purpose of becoming, a Finance Party or which is received by a Finance Party in relation to, or for the purpose of becoming a Finance Party under, the Finance Documents or the Facility from either:

- (A) any member of the Group or any of its advisers; or
- (B) another Finance Party, if the information was obtained by that Finance Party directly or indirectly from any member of the Group or any of its advisers,

in whatever form, and includes information given orally and any document, electronic file or any other way of representing or recording information which contains or is derived or copied from such information but excludes information that:

- (1) is or becomes public information other than as a direct or indirect result of any breach by that Finance Party of clause 35 (*Confidentiality*); or
- (2) is identified in writing at the time of delivery as non-confidential by any member of the Group or any of its advisers; or
- (3) is known by that Finance Party before the date the information is disclosed to it in accordance with paragraphs (A) or (B) above or is lawfully obtained

by that Finance Party after that date, from a source which is, as far as that Finance Party is aware, unconnected with the Group and which, in either case, as far as that Finance Party is aware, has not been obtained in breach of, and is not otherwise subject to, any obligation of confidentiality.

“Confidentiality Undertaking” means a confidentiality undertaking substantially in a recommended form of the LMA or in any other form agreed between the Company and the Agent.

“Controlled Group” means an entity, whether or not incorporated, which is under common control with the Company within the meaning of section 4001 of ERISA or is part of a group that includes the Company and that is treated as a single employer under section 414 of the Internal Revenue Code. When any provision of this Agreement relates to a past event, the term “member of the Controlled Group” includes any person that was a member of the Controlled Group at the time of that past event.

“Dangerous Materials” means any element or substance, whether consisting of gas, liquid, solid or vapour, identified by any Environmental Law to be, to have been, or to be capable of being or becoming, harmful to mankind or any living organism or damaging to the Environment.

“Default” means an Event of Default or any event or circumstance specified in clause 21.22 (*Events of Default*) which would (with the expiry of a grace period and/or the giving of notice, the making of any determination of materiality under the Finance Documents or any combination of any of the foregoing), be an Event of Default.

“Defaulting Lender” means any Lender:

- (A) which has failed to make its participation in a Loan available or has notified the Agent that it will not make its participation in a Loan available by the Utilisation Date of that Loan in accordance with clause 5.4 (*Lenders’ participation*);
- (B) which has otherwise rescinded or repudiated a Finance Document; or
- (C) with respect to which an Insolvency Event has occurred and is continuing, unless, in the case of paragraph (A) above:
 - (1) its failure to pay is caused by:
 - (a) administrative or technical error; or
 - (b) a Disruption Event; andpayment is made within 5 Business Days of its due date; or
 - (2) the Lender is disputing in good faith whether it is contractually obliged to make the payment in question.

“Deferred Price” means an amount of up to EUR 275,000,000, payable by way of deferred consideration in accordance with the terms of the Acquisition Agreement.

“Designated Person” means a person or entity:

- (A) listed in the annex to, or otherwise subject to the provisions of, the Executive Order;
- (B) named as a “Specially Designated National and Blocked Person” on the most current list published by OFAC at its official website or any replacement website or other replacement official publication of such list; or
- (C) with which any Lender is prohibited from dealing or otherwise engaging in any transaction by any Anti-Terrorism Law.

“Disruption Event” means either or both of:

- (A) a material disruption to those payment or communications systems or to those financial markets which are, in each case, required to operate in order for payments to be made in connection with the Facilities (or otherwise in order for the transactions contemplated by the Finance Documents to be carried out) which disruption is not caused by, and is beyond the control of, any of the Parties; or
- (B) the occurrence of any other event which results in a disruption (of a technical or systems-related nature) to the treasury or payments operations of a Party preventing that, or any other Party:
 - (1) from performing its payment obligations under the Finance Documents; or
 - (2) from communicating with other Parties in accordance with the terms of the Finance Documents,

and which (in either such case) is not caused by, and is beyond the control of, the Party whose operations are disrupted.

“Employee Plan” means, at any time, an “employee pension benefit plan” as defined in Section 3(2) of ERISA subject to the provisions of Title IV of ERISA or Section 412 of the Internal Revenue Code or Section 302 of ERISA (other than a Multiemployer Plan), then or at any time during the previous five years maintained for, or contributed to (or to which there is or was an obligation to contribute) on behalf of, employees of the Company or ERISA Affiliate.

“Environment” means all or any of the following media: air (including air within buildings or other structures and whether above or below ground); land (including buildings and any other structures or erections in, or under it and any soil and anything below the surface of land); land covered with water; and water (including sea, ground and surface water).

“Environmental Law” means any statute or law, treaty, convention, directive or regulation having legal effect whether of a criminal or civil nature, concerning the Environment or health and safety which are in existence now or in the future and are binding on any member of the Group in the relevant jurisdiction in which that member of the Group has been or is operating.

“ERISA” means the United States Employee Retirement Income Security Act of 1974 (or any successor legislation thereto) and the regulations promulgated and rulings issued thereunder.

“ERISA Affiliate” means each person (as defined in Section 3(9) of ERISA) that is a member of a Controlled Group of the Company.

“EURIBOR” means for any Loan or overdue amount in Euro:

- (A) the applicable Screen Rate;
- (B) (if no Screen Rate is available for the Interest Period of that Loan) the Interpolated Screen Rate for that Loan; or
- (C) if:
 - (1) no Screen Rate is available for the Interest Period of that Loan; and
 - (2) it is not possible to calculate an Interpolated Screen Rate for that Loan,the Reference Bank Rate,

as of, in the case of paragraphs (A) and (C) above, the Specified Time on the Quotation Day for Euro and for a period equal in length to the Interest Period of that Loan and, if that rate is less than zero, EURIBOR shall be deemed to be zero.

“Euro” or “EUR” means the lawful single currency of the Participating Member States.

“Event of Default” means any event or circumstance specified as such in clause 21.22 (*Events of Default*).

“Executive Order” means the US Executive Order No. 13224 on Blocking Property and Prohibiting Transactions with Persons who Commit, Threaten to Commit, or Support Terrorism, which came into effect on 24 September 2001, as amended.

“Facility” means Facility A, Facility B or Facility C.

“Facility A” means the term loan facility made available under this Agreement as described in clause 2.1(A) (*The Facilities*).

“Facility A Commitment” means:

- (A) in relation to an Original Lender, the amount in the Base Currency set opposite its name under the heading “Facility A Commitment” in schedule 1 (*The Original Lenders*) and the amount of any other Facility A Commitment transferred to it under this Agreement or assumed by it in accordance with clause 2.2 (*Increase*); and
- (B) in relation to any other Lender, the amount in the Base Currency of any Facility A Commitment transferred to it under this Agreement or assumed by it in accordance with clause 2.2 (*Increase*),

to the extent not cancelled, reduced or transferred by it under this Agreement.

“Facility A Loan” means a loan made or to be made under Facility A or the principal amount outstanding for the time being of that loan.

“Facility A Repayment Date” means each date set out in clause 7.1 (*Repayment of Facility A Loans*).

“Facility B” means the term loan facility made available under this Agreement as described in clause 2.1(B) (*The Facilities*).

“Facility B Commitment” means:

- (A) in relation to an Original Lender, the amount in the Base Currency set opposite its name under the heading “Facility B Commitment” in schedule 1 (*The Original Lenders*) and the amount of any other Facility B Commitment transferred to it under this Agreement or assumed by it in accordance with clause 2.2 (*Increase*); and
- (B) in relation to any other Lender, the amount in the Base Currency of any Facility B Commitment transferred to it under this Agreement or assumed by it in accordance with clause 2.2 (*Increase*),

to the extent not cancelled, reduced or transferred by it under this Agreement.

“Facility B Loan” means a loan made or to be made under Facility B or the principal amount outstanding for the time being of that loan.

“Facility C” means the revolving credit facility made available under this Agreement as described in clause 2.1(C) (*The Facilities*).

“Facility C Commitment” means:

- (A) in relation to an Original Lender, the amount in the Base Currency set opposite its name under the heading “Facility C Commitment” in schedule 1 (*The Original Lenders*) and the amount of any other Facility C Commitment transferred to it under this Agreement or assumed by it in accordance with clause 2.2 (*Increase*); and

(B) in relation to any other Lender, the amount in the Base Currency of any Facility C Commitment transferred to it under this Agreement or assumed by it in accordance with clause 2.2 (*Increase*),

to the extent not cancelled, reduced or transferred by it under this Agreement.

“Facility C Loan” means a loan made or to be made under Facility C or the principal amount outstanding for the time being of that loan.

“Facility Office” means the office or offices notified by a Lender to the Agent in writing on or before the date it becomes a Lender (or, following that date, by not less than five Business Days’ written notice) as the office or offices through which it will perform its obligations under this Agreement.

“FATCA” means:

- (A) sections 1471 to 1474 of the Code or any associated regulations;
- (B) any treaty, law or regulation of any other jurisdiction, or relating to an intergovernmental agreement between the US and any other jurisdiction, which (in either case) facilitates the implementation of any law or regulation referred to in paragraph (a) above; or
- (C) any agreement pursuant to the implementation of any treaty, law or regulation referred to in paragraphs (a) or (b) above with the US Internal Revenue Service, the US government or any governmental or taxation authority in any other jurisdiction.

“FATCA Application Date” means:

- (A) in relation to a “withholdable payment” described in section 1473(1)(A)(i) of the Code (which relates to payments of interest and certain other payments from sources within the US), 1 July 2014;
- (B) in relation to a “withholdable payment” described in section 1473(1)(A)(ii) of the Code (which relates to “gross proceeds” from the disposition of property of a type that can produce interest from sources within the US), 1 January 2017; or
- (C) in relation to a “passthru payment” described in section 1471(d)(7) of the Code not falling within paragraphs (a) or (b) above, 1 January 2017,

or, in each case, such other date from which such payment may become subject to a deduction or withholding required by FATCA as a result of any change in FATCA after the date of this Agreement.

“FATCA Deduction” means a deduction or withholding from a payment under a Finance Document required by FATCA.

“FATCA Exempt Party” means a Party that is entitled to receive payments free from any FATCA Deduction.

“Fee Letter” means any letter or letters dated and delivered to the Company on or about the date of this Agreement or on about the date of the Mandate Letter between the Bookrunners or the Agent and the Company setting out any fees payable to the Bookrunners, Mandated Lead Arrangers or the Agent and/or any of the fees referred to in clause 12 (*Fees*) or clause 2.2 (*Increase*).

“Finance Document” means this Agreement, the Mandate Letter, each Fee Letter, any Transfer Certificate and any other document designated as such by the Agent and the Company.

“Finance Party” means the Agent, each Bookrunner, each Mandated Lead Arranger or a Lender.

“Financial and Tax Due Diligence Report” means the Financial and Tax Due Diligence Report dated 18 June 2014 prepared by KPMG Advisory S.p.A. relating to the Acquisition.

“Financial Indebtedness” means any indebtedness for or in respect of:

- (A) moneys borrowed;
- (B) any amount raised by acceptance under any acceptance credit facility or dematerialised equivalent;
- (C) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;
- (D) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with GAAP, be treated as a finance or capital lease by the Group in the consolidated balance sheet (for the avoidance of doubt, leases which are treated as operational leases in accordance with GAAP as applied at the date of this Agreement shall not be considered as Financial Indebtedness);
- (E) receivables sold or discounted and due for payment (other than any receivables to the extent they are sold on a non-recourse basis);
- (F) any amount raised under any other transaction (including any forward sale or purchase agreement) required by GAAP to be shown as a borrowing in the audited consolidated balance sheet of the Group;
- (G) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the marked to market value shall be taken into account) required by GAAP to be shown as a borrowing in the audited consolidated balance sheet of the Group;

- (H) without double counting, any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution required by GAAP to be shown as a borrowing in the audited consolidated balance sheet of the Group; and
- (I) without double counting, the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (A) to (H) above.

“Funds Flow Statement” means a funds flow statement in agreed form.

“GAAP” means generally accepted accounting principles in Sweden, including IFRS.

“Group” means the Company and its Subsidiaries from time to time.

“Group Structure Chart” means the group structure chart in the agreed form.

“Holding Company” means, in relation to a company or corporation, any other company or corporation in respect of which it is a Subsidiary.

“IBOR” means EURIBOR, LIBOR or STIBOR.

“IFRS” means international accounting standards within the meaning of the IAS Regulation 1606/2002 to the extent applicable to the relevant financial statements.

“Impaired Agent” means the Agent at any time when:

- (A) it has failed to make (or has notified a Party that it will not make) a payment required to be made by it under the Finance Documents by the due date for payment;
- (B) the Agent otherwise rescinds or repudiates a Finance Document;
- (C) (if the Agent is also a Lender) it is a Defaulting Lender under paragraph (A) or (B) of the definition of “Defaulting Lender”; or
- (D) an Insolvency Event has occurred and is continuing with respect to the Agent;

unless, in the case of paragraph (A) above:

- (1) its failure to pay is caused by:
 - (a) administrative or technical error; or
 - (b) a Disruption Event; and payment is made within 5 Business Days of its due date; or
- (2) the Agent is disputing in good faith whether it is contractually obliged to

“Increase Confirmation” means a confirmation substantially in the form set out in schedule 6 (*Form of Increase Confirmation*).

“Information Package” means the Base Case Model, the Group Structure Chart and the Rights Issue Prospectus.

“Insolvency Event” means, in relation to a Finance Party, the appointment of a liquidator, receiver, administrative receiver, administrator, compulsory manager or other similar officer in respect of that Finance Party or all or substantially all of that Finance Party’s assets or any analogous procedure or step is taken in any jurisdiction with respect to that Finance Party.

“Interest Period” means, in relation to a Loan, each period determined in accordance with clause 10 (*Interest Periods*) and, in relation to an Unpaid Sum, each period determined in accordance with clause 9.4 (*Default interest*).

“Interpolated Screen Rate” means, in relation to the relevant IBOR for any Loan, the rate (rounded to the same number of decimal places as the two relevant Screen Rates) which results from interpolating on a linear basis between:

- (A) the applicable Screen Rate for the longest period (for which that Screen Rate is available) which is less than the Interest Period of that Loan; and
- (B) the applicable Screen Rate for the shortest period (for which that Screen Rate is available) which exceeds the Interest Period of that Loan,

each as of the Specified Time on the Quotation Day for the currency of that Loan.

“Legal Due Diligence Report” means the legal due diligence report dated 18 June 2014 prepared by Reed Smith relating to the Acquisition.

“Lender” means:

- (A) an Original Lender; and
- (B) any bank, financial institution, trust, fund or other entity which has become a Party in accordance with clause 2.2 (*Increase*) or clause 23 (*Changes to the Lenders*),

which in each case has not ceased to be a Party in accordance with the terms of this Agreement.

“LIBOR” means for any Loan or overdue amount not denominated in EUR or SEK:

- (A) the applicable Screen Rate;
- (B) (if no Screen Rate is available for the Interest Period of that Loan) the Interpolated Screen Rate for that Loan; or

- (C) if:
- (i) no Screen Rate is available for the currency of that Loan; or
 - (ii) no Screen Rate is available for the Interest Period of that Loan and it is not possible to calculate an Interpolated Screen Rate for that Loan,

the Reference Bank Rate,

as of, in the case of paragraphs (A) and (C) above, the Specified Time on the Quotation Day for the currency of that Loan and for a period equal in length to the Interest Period of that Loan and, if that rate is less than zero, LIBOR shall be deemed to be zero.

“Loan” means a Facility A Loan, a Facility B Loan or Facility C Loan.

“Majority Lenders” means:

- (A) if there is no Loan then outstanding, a Lender or Lenders whose Commitments aggregate more than 66 2/3% of the Total Commitments (or, if the Total Commitments have been reduced to zero, aggregated more than 66 2/3% of the Total Commitments immediately prior to the reduction); or
- (B) at any other time, a Lender or Lenders whose participations in the Loans then outstanding aggregate more than 66 2/3% of all the Loans then outstanding.

“Mandatory Prepayment Account” means an interest-bearing account:

- (A) held by the Company with the Agent;
- (B) identified in a letter between the Company and the Agent as a Mandatory Prepayment Account;
- (C) from which no withdrawals may be made by any members of the Group except as contemplated by this Agreement in prepayment of the Facilities,

(as the same may be redesignated, substituted or replaced from time to time).

“Mandate Letter” means the mandate letter dated 31 July 2014 between the Bookrunners and the Company.

“Material Adverse Effect” means a material adverse effect on:

- (A) the business, assets or financial condition of the Group as a whole;
- (B) the ability of the Company to perform its obligations under any Finance Document; or
- (C) the validity or enforceability of any Finance Document.

“Month” means a period starting on one day in a calendar month and ending on the numerically corresponding day in the next calendar month, except that:

- (A) if the numerically corresponding day is not a Business Day, that period shall end on the next Business Day in that calendar month in which that period is to end if there is one, or if there is not, on the immediately preceding Business Day;
- (B) if there is no numerically corresponding day in the calendar month in which that period is to end, that period shall end on the last Business Day in that calendar month; and
- (C) if an Interest Period begins on the last Business Day of a calendar month, that Interest Period shall end on the last Business Day in the calendar month in which that Interest Period is to end.

The above rules will only apply to the last Month of any period.

“Multiemployer Plan” means, at any time, a multiemployer plan (as defined in Section 4001(a)(3) of ERISA) then or at any time during the previous five years maintained for, or contributed to (or to which there is or was an obligation to contribute) on behalf of, employees of the Company or ERISA Affiliate.

“OECD” means the Organisation of Economic Co-operation and Development.

“OFAC” means the Office of Foreign Assets Control of the United States Department of the Treasury.

“Optional Currency” means any currency (other than the Base Currency) which complies with the conditions set out in clause 4.3 (*Conditions relating to Optional Currencies*).

“Original Financial Statements” means the audited consolidated financial statements of the Group for the financial year ended 31 December 2013.

“Participating Member State” means any member state of the European Union that has Euro as its lawful currency in accordance with legislation of the European Union relating to Economic and Monetary Union.

“Party” means a party to this Agreement.

“PBGC” means the Pension Benefit Guaranty Corporation of the USA established pursuant to Section 4002 of ERISA (or any entity succeeding to all or any of its functions under ERISA).

“Pension Act” means the United States Pension Protection Act of 2006, as amended. “Quarter Date” means 31 March, 30 June, 30 September and 31 December.

“Quotation Day” means, in relation to any period for which an interest rate is to be determined:

- (A) (if the currency is Sterling) the first day of that period; or
- (B) (if the currency is Euro) two TARGET Days before the first day of that period; or
- (C) (for any currency other than Sterling or Euro) two Business Days before the first day of that period,

unless market practice differs in the Relevant Interbank Market for a currency, in which case the Quotation Day for that currency will be determined by the Agent in accordance with market practice in the Relevant Interbank Market (and if quotations would normally be given by leading banks in the Relevant Interbank Market on more than one day, the Quotation Day will be the last of those days).

“Reference Bank Rate” means the arithmetic mean of the rates (rounded upwards to four decimal places) as supplied to the Agent at its request by the Reference Banks:

- (A) in relation to LIBOR, as the rate at which the relevant Reference Bank could borrow funds in the London interbank market;
- (B) in relation to EURIBOR, as the rate at which the relevant Reference Bank could borrow funds in the European interbank market; or
- (C) in relation to STIBOR, as the rate at which the relevant Reference Bank could borrow funds in the Stockholm interbank market.

“Reference Banks” means the principal offices of Danske Bank A/S, Skandinaviska Enskilda Banken AB (publ), Swedbank AB (publ) and Nordea Bank AB (publ) and such other bank as may be appointed by the Agent in consultation with the Company.

“Related Fund” in relation to a fund (the “first fund”), means a fund which is managed or advised by the same investment manager or investment adviser as the first fund or, if it is managed by a different investment manager or investment adviser, a fund whose investment manager or investment adviser is an Affiliate of the investment manager or investment adviser of the first fund.

“Relevant Interbank Market” means in relation to Euro, the European interbank market, in relation to SEK, the Stockholm interbank market and in relation to all other currencies, the London interbank market.

“Repayment Instalment” means the amount by which Facility A is repaid on each applicable Facility A Repayment Date, as set out in clause 7.1 (*Repayment of Facility A Loans*).

“Repeating Representations” means each of the representations set out in clause 18 (*Representations*), other than 18.22 (*Information Package*).

“Reports” means the Legal Due Diligence Report and the Financial and Tax Due Diligence Report.

“Reportable Event” means any of the following events:

- (A) any reportable event, as defined in Section 4043(c) of ERISA and the regulations promulgated under it, with respect to an Employee Plan as to which the PBGC has not by regulation waived the requirement of Section 4043(a) of ERISA that it be notified within thirty days of the occurrence of that event. However, the existence with respect to any Employee Plan of an “accumulated funding deficiency” (as defined in Section 302 of ERISA), or, on and after the effectiveness of the Pension Act, a failure to meet the minimum funding standard of Section 412 of the Internal Revenue Code or Section 302 of ERISA, shall be a reportable event for the purposes of this paragraph (A) regardless of the issuance of any waiver;
- (B) the requirements of subsection (1) of Section 4043(b) of ERISA (without regard to subsection (2) of that Section) are met with respect to a contributing sponsor, as defined in Section 4001(a)(13) of ERISA, of an Employee Plan and an event described in paragraph (9), (10), (11), (12) or (13) of Section 4043(c) of ERISA is reasonably expected to occur with respect to that Employee Plan within the following 30 days;
- (C) the filing under Section 4041(c) of ERISA of a notice of intent to terminate any Employee Plan;
- (D) the termination of any Employee Plan under Section 4041(c) of ERISA;
- (E) the institution of proceedings under Section 4042 of ERISA by the PBGC for the termination of, or the appointment of a trustee to administer, any Employee Plan;
- (F) the failure to make a required contribution to any Employee Plan that would result in the imposition of an encumbrance under the Internal Revenue Code or ERISA;
- (G) engagement in a non-exempt prohibited transaction within the meaning of Section 4975 of the Internal Revenue Code or Section 406 of ERISA;
- (H) a determination that any Employee Plan is, or is expected to be, in at-risk status (within the meaning of Title IV of ERISA); or
- (I) the receipt by the Company or any ERISA Affiliate of any notice, or the receipt by any Multiemployer Plan from the Company or any ERISA Affiliate of any notice that a Multiemployer Plan is, or is expected to be, insolvent or in reorganisation, within the meaning of Title IV of ERISA, or, on and after the effectiveness of the Pension Act, that a Multiemployer Plan is in endangered or critical status (within the meaning of Section 305 of ERISA).

“Representative” means any delegate, agent, manager, administrator, nominee, attorney, trustee or custodian.

“Restricted Party” means a person:

- (A) that is listed on any Sanctions List (whether designated by name or by reason of being included in a class of person);
- (B) that is domiciled, registered as located or having its main place of business in, or is incorporated under the laws of, a country where transactions are prohibited pursuant to Sanctions Laws; or
- (C) that is directly or indirectly owned or controlled by a person referred to in (a) and/or (b) above; or
- (D) with which any Lender is prohibited from dealing or otherwise engaging in a transaction with by any Sanctions Laws.

“Restricted Finance Party” has the meaning given to that term in paragraph (B) of clause 18.23 (*Anti-Terrorism Laws*).

“Rights Issue” means the issue of up to 33,224,306 new shares of Series A in the Company approved by the general meeting of the shareholders of the Company on 6 November 2014 and which results in receipt of gross proceeds by the Company of not less than SEK 2,000,000,000.

“Rights Issue Prospectus” means the prospectus prepared by the Company in connection with the Rights Issue approved and registered by the Swedish Financial Supervisory Authority on 14 November 2014.

“Rollover Loan” means one or more Facility C Loans:

- (A) made or to be made on the same day that a maturing Facility C Loan is due to be repaid;
- (B) the aggregate amount of which is equal to or less than the amount of the maturing Facility C Loan;
- (C) in the same currency as the maturing Facility C Loan (unless it arose as a result of the operation of clause 6.2 (*Unavailability of a currency*)); and
- (D) made or to be made to the Company for the purpose of refinancing that maturing Facility C Loan.

“Sanctions Laws” means the economic or financial sanctions laws and/or regulations, trade embargoes, prohibitions, restrictive measures, decisions, executive orders or notices from regulators implemented, adapted, imposed, administered, enacted and/or enforced by any Sanctions Authority.

“Sanctions Authority” means the United Nations, the European Union, the member states of the European Union, the member states of the European Economic Area, the United States of America, Her Majesty’s Treasury and any authority acting on behalf of any of them in connection with Sanctions Laws.

“Sanctions List” means any list of persons or entities published in connection with Sanctions Laws by or on behalf of any Sanctions Authority.

“Screen Rate” means:

- (A) in relation to LIBOR, the London interbank offered rate administered by ICE Benchmark Administration Limited (or any other person which takes over the administration of that rate) for the relevant currency and period displayed (before any correction, recalculation or republication by the administrator) on pages LIBOR01 or LIBOR02 of the Thomson Reuters Screen (or any replacement Reuters page which displays that rate);
- (B) in relation to EURIBOR, the euro interbank offered rate administered by the European Money Markets Institute (or any other person which takes over the administration of that rate) for the relevant period displayed (before any correction, recalculation or republication by the administrator) on page EURIBOR01 of the Thomson Reuters screen (or any replacement Thomson Reuters page which displays that rate); and
- (C) in relation to STIBOR, the Stockholm interbank offered rate administered and calculated by Nasdaq OMX Nordic (or any other person which takes over the administration and calculation of that rate under supervision by a committee appointed by the board of directors of the Swedish Bankers’ Association) for SEK for the relevant period displayed (before any correction, recalculation or republication by the administrator) on the relevant page of the Thomson Reuters screen,

or, in each case, on the appropriate page of such other information service which publishes that rate from time to time in place of Thomson Reuters. If such page or service ceases to be available, the Agent may specify another page or service displaying the relevant rate after consultation with the Company.

“Security Interest” means any mortgage, charge, pledge, lien or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect.

“Selection Notice” means a notice substantially in the form set out in part 2 of schedule 3 (*Requests*) given in accordance with clause 10 (*Interest Periods*) in relation to a Term Facility.

“Specified Time” means a time determined in accordance with Schedule 8 (*Timetables*).

“Sterling” means the lawful currency for the time being of the United Kingdom.

“STIBOR” means for any Loan or overdue amount in Swedish Kronor:

- (A) the Screen Rate; or

- (B) (if no Screen Rate is available for the Interest Period of that Loan) the Interpolated Screen Rate for that Loan; or
- (C) if:
 - (1) no Screen Rate is available for the Interest Period of that Loan; and
 - (2) it is not possible to calculate an Interpolated Screen Rate for that Loan,the Reference Bank Rate,

as of, in the case of paragraphs (A) and (C) above, the Specified Time on the Quotation Day for SEK for a period equal in length to the Interest Period of that Loan and, if that rate is less than zero, STIBOR shall be deemed to be zero.

“Subordinated Debt” has the meaning given to that term in clause 20.1 (*Definitions*).

“Subsidiary” means an entity from time to time of which a person:

- (A) has direct or indirect control; or
- (B) owns directly or indirectly more than 50% of the share capital or other right of ownership,

and “control” for this purpose means the power to direct the management and the policies of the entity whether through the ownership of voting capital, by contract or otherwise.

“Swedish Kronor” or “SEK” means the lawful currency for the time being of the Kingdom of Sweden.

“Target” means Rottapharm S.p.A., a company incorporated under the laws of Italy with company number 04472830159.

“Target Company Bond Loan” means the senior unsecured notes due 2019 issued by the Target in an amount of EUR 400,000,000.

“Target Group” means the Target and its Subsidiaries.

“Target Shares” means all of the shares in the Target.

“TARGET2” means the Trans-European Automated Real-time Gross Settlement Express Transfer payment system which utilises a single shared platform and which was launched on 19 November 2007.

“TARGET Day” means any day on which TARGET2 is open for the settlement of payments in Euro.

“Tax” means any tax, levy, impost, duty or other charge or withholding of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same).

“Termination Date” means:

- (A) in relation to Facility A, the sixth anniversary of the date of this Agreement;
- (B) in relation to Facility B, the fourth anniversary of the date of this Agreement; and
- (C) in relation to Facility C the fifth anniversary of the date of this Agreement.

“Term Facility” means Facility A or Facility B.

“Term Loan” means a Facility A Loan or a Facility B Loan.

“Test Period” has the meaning given to it in clause 20.1 (*Definitions*).

“Total Assets” means the value of the Group’s gross assets, on a consolidated basis, as shown in the most recently delivered accounts delivered to the Agent pursuant to clause 19.1 (*Financial statements*) or 19.4(A)(3) (*Information: miscellaneous*), as the case may be.

“Total Commitments” means the aggregate of the Total Facility A Commitments, the Total Facility B Commitments and the Total Facility C Commitments, being SEK 25,000,000,000 in aggregate as at the date of this Agreement.

“Total EBITDA” means the EBITDA of the Group on a consolidated basis, as determined in accordance with the most recently delivered accounts delivered to the Agent pursuant to clause 19.1 (*Financial statements*) or 19.4(A)(3) (*Information: miscellaneous*), as the case may be.

“Total Facility A Commitments” means the aggregate of the Facility A Commitments, being SEK 6,437,500,000 as at the date of this Agreement.

“Total Facility B Commitments” means the aggregate of the Facility B Commitments, being SEK 6,062,500,000 as at the date of this Agreement.

“Total Facility C Commitments” means the aggregate of the Facility C Commitments, being SEK 12,500,000,000 as at the date of this Agreement.

“Transfer Certificate” means a certificate substantially in the form set out in schedule 4 (*Form of Transfer Certificate*) or any other form agreed between the Agent and the Company.

“Transfer Date” means, in relation to a transfer, the later of:

- (A) the proposed Transfer Date specified in the relevant Assignment Agreement or Transfer Certificate; and

(B) the date on which the Agent executes the relevant Assignment Agreement or Transfer Certificate.

“Unpaid Sum” means any sum due and payable but unpaid by the Company under the Finance Documents.

“US” means the United States of America.

“USA Patriot Act” means the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, Public Law 107-56 of the United States, as amended.

“USD” means the lawful currency of the United States of America. “Utilisation Date” means the date on which a Loan is made.

“Utilisation Request” means a notice substantially in the form set out in part 1 of schedule 3 (*Requests*).

“VAT” means:

(A) any tax imposed in compliance with the Council Directive of 28 November 2006 on the common system of value added tax (EC Directive 2006/112); and

(B) any other tax of a similar nature, whether imposed in a member state of the European Union in substitution for, or levied in addition to, such tax referred to in paragraph (a) above, or imposed elsewhere.

“Vendor” means Fidim S.r.l., a company incorporated under the laws of Italy with company number 08432100157.

1.2. **Construction**

(A) Unless a contrary indication appears, any reference in this Agreement to:

(1) the “Agent”, any “Bookrunner”, any “Mandated Lead Arranger”, any “Finance Party”, any “Lender” or any “Party” shall be construed so as to include its successors in title, permitted assigns and permitted transferees;

(2) “assets” includes present and future properties, revenues and rights of every description;

(3) a “Finance Document” or any other agreement or instrument is a reference to that Finance Document or other agreement or instrument as amended, supplemented, extended or restated (however fundamentally and whether or not more onerously) and includes any change in the purpose of, any extension of or any increase in any facility or the addition of any new facility under that Finance Document or other agreement or instrument;

- (4) “indebtedness” includes any obligation (whether incurred as principal or as surety) for the payment or repayment of money, whether present or future, actual or contingent;
 - (5) a “person” includes any individual, firm, company, corporation, government, state or agency of a state or any association, trust or partnership (whether or not having separate legal personality) or two or more of the foregoing;
 - (6) a “regulation” includes any regulation, rule, official directive, request or guideline (whether or not having the force of law but, if not having the force of law, which is generally complied with by those to whom it is addressed) of any governmental, intergovernmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation;
 - (7) a provision of law is a reference to that provision as amended or re-enacted; and
 - (8) a time of day is a reference to Stockholm time (unless otherwise stated).
- (B) Section, clause and Schedule headings are for ease of reference only.
- (C) Unless a contrary indication appears, a term used in any other Finance Document or in any notice given under or in connection with any Finance Document has the same meaning in that Finance Document or notice as in this Agreement.
- (D) A Default (including an Event of Default) is continuing if it has not been remedied or waived.
- (E) Unless expressly provided to the contrary in a Finance Document, a person who is not a party to a Finance Document may not enforce any of its terms under the Contracts (Rights of Third Parties) Act 1999 and, notwithstanding any term of any Finance Document, no consent of any third party is required for any variation (including any release or compromise of any liability) or termination of that Finance Document.

PART 2: THE FACILITIES

2. **The Facilities**

2.1. **The Facilities**

Subject to the terms of this Agreement, the Lenders make available to the Company:

- (A) a multicurrency term loan facility in an aggregate amount equal to the Total Facility A Commitments;
- (B) a multicurrency term loan facility in an aggregate amount equal to the Total Facility B Commitments; and
- (C) a multicurrency revolving loan facility in an aggregate amount equal to the Total Facility C Commitments.

2.2. **Increase**

(A) The Company may by giving prior notice to the Agent by no later than the date falling 5 Business Days after the effective date of a cancellation of:

- (1) the Available Commitments of a Defaulting Lender in accordance with clause 8.13 (*Right of cancellation in relation to a Defaulting Lender*); or
- (2) the Commitments of a Lender in accordance with clause 8.1 (*Illegality*),

request that the Total Commitments be increased (and the Total Commitments under that Facility shall be so increased) in an aggregate amount in the Base Currency of up to the amount of the Available Commitments or Commitments so cancelled as follows:

- (3) the increased Commitments will be assumed by one or more Lenders or other banks, financial institutions, trusts, funds or other entities (each an "Increase Lender") selected by the Company (each of which shall not be a member of the Group and which is further acceptable to the Agent (acting reasonably)) and each of which confirms its willingness to assume and does assume all the obligations of a Lender corresponding to that part of the increased Commitments which it is to assume, as if it had been an Original Lender;
- (4) the Company and any Increase Lender shall assume obligations towards one another and/or acquire rights against one another as the Company and the Increase Lender would have assumed and/or acquired had the Increase Lender been an Original Lender;
- (5) each Increase Lender shall become a Party as a "Lender" and any Increase Lender and each of the other Finance Parties shall assume obligations towards one another and acquire rights against one another as that Increase Lender

and those Finance Parties would have assumed and/or acquired had the Increase Lender been an Original Lender;

- (6) the Commitments of the other Lenders shall continue in full force and effect; and
 - (7) any increase in the Total Commitments shall take effect on the date specified by the Company in the notice referred to above or any later date on which the conditions set out in paragraph (B) below are satisfied.
- (B) An increase in the Total Commitments will only be effective on:
- (1) the execution by the Agent of an Increase Confirmation from the relevant Increase Lender; and
 - (2) in relation to an Increase Lender which is not a Lender immediately prior to the relevant increase, the performance by the Agent of all necessary “know your customer” or other similar checks under all applicable laws and regulations in relation to the assumption of the increased Commitments by that Increase Lender, the completion of which the Agent shall promptly notify to the Company and the Increase Lender.
- (C) Each Increase Lender, by executing the Increase Confirmation, confirms (for the avoidance of doubt) that the Agent has authority to execute on its behalf any amendment or waiver that has been approved by or on behalf of the requisite Lender or Lenders in accordance with this Agreement on or prior to the date on which the increase becomes effective.
- (D) Unless the Agent otherwise agrees or the increased Commitment is assumed by an existing Lender, the Company shall, on the date upon which the increase takes effect, pay to the Agent (for its own account) a fee of SEK 20,000 and the Company shall promptly on demand pay the Agent the amount of all costs and expenses (including legal fees) reasonably incurred by the Agent or such Lender in connection with any increase in Commitments under this clause 2.2.
- (E) The Company may pay to the Increase Lender a fee in the amount and at the times agreed between the Company and the Increase Lender in a Fee Letter.
- (F) Clause 23.4 (*Limitation of responsibility of Existing Lenders*) shall apply mutatis mutandis in this clause 2.2 in relation to an Increase Lender as if references in that clause to:
- (1) an “Existing Lender” were references to all the Lenders immediately prior to the relevant increase;
 - (2) the “New Lender” were references to that “Increase Lender”; and

(3) a “re-transfer” and “re-assignment” were references to respectively a “transfer” and “assignment”.

2.3. **Finance Parties’ rights and obligations**

- (A) The obligations of each Finance Party under the Finance Documents are several. Failure by a Finance Party to perform its obligations under the Finance Documents does not affect the obligations of any other Party under the Finance Documents. No Finance Party is responsible for the obligations of any other Finance Party under the Finance Documents.
- (B) The rights of each Finance Party under or in connection with the Finance Documents are separate and independent rights and any debt arising under the Finance Documents to a Finance Party from the Company shall be a separate and independent debt.
- (C) A Finance Party may, except as otherwise stated in the Finance Documents, separately enforce its rights under the Finance Documents.

3. **Purpose**

3.1. **Purpose**

- (A) The Company shall apply all amounts borrowed by it under each Term Facility:
 - (1) towards financing payment (in whole or in part) of the consideration for redemption of the Target Company Bond Loan; and
 - (2) towards refinancing existing indebtedness of the Company under Facility B and Facility C of (and as defined in) the Bridge Facilities Agreement.
- (B) The Company shall apply all amounts borrowed by it under Facility C towards the general corporate and working capital purposes of the Group.
- (C) No proceeds of any Loan may be made available, either directly or indirectly, to or for the benefit of a Restricted Party, nor shall any such proceeds otherwise be applied in a manner or for a purpose prohibited by Sanctions Laws.

3.2. **Monitoring**

No Finance Party is bound to monitor or verify the application of any amount borrowed pursuant to this Agreement.

4. **Conditions of Utilisation**

4.1. **Initial conditions precedent**

- (A) The Company shall not deliver a Utilisation Request unless the Agent has received, or the Agent is reasonably satisfied that it will receive, all of the

documents and other evidence listed in schedule 2 (*Conditions Precedent*) in form and substance satisfactory to the Agent.

(B) The Agent shall notify the Company and the Lenders promptly upon being so satisfied.

4.2. **Further conditions precedent**

The Lenders will only be obliged to comply with clause 5.4 (*Lenders' participation*) in relation to a Loan if on the date of the Utilisation Request and on the proposed Utilisation Date:

- (A) in the case of a Rollover Loan, no Event of Default is continuing or would result from the proposed Loan and, in the case of any other Loan, no Default is continuing or would result from the proposed Loan; and
- (B) the Repeating Representations to be made by the Company are true in all material respects.

4.3. **Conditions relating to Optional Currencies**

(A) A currency will constitute an Optional Currency in relation to a Loan if:

- (1) it is readily available in the amount required and freely convertible into the Base Currency in the Relevant Interbank Market on the Quotation Day and the Utilisation Date for that Loan and has been approved by the Agent (acting on the instructions of all the Lenders) on or prior to receipt by the Agent of the relevant Utilisation Request; or
- (2) that Optional Currency is EUR or USD or it has been approved by the Agent (acting on the instructions of all the Lenders) on or prior to receipt by the Agent of the relevant Utilisation Request or Selection Notice for that Loan.

(B) If the Agent has received a written request from the Company for a currency to be approved under paragraph (A)(2) above, the Agent will confirm to the Company by the Specified Time:

- (1) whether or not the Lenders have granted their approval; and
- (2) if approval has been granted, the minimum amount (and, if required, integral multiples) for any subsequent Loan in that currency.

4.4. **Maximum number of Loans**

(A) The Company may not deliver a Utilisation Request if as a result of the proposed Loan:

- (1) eight or more Facility A Loans would be outstanding;
 - (2) eight or more Facility B Loans would be outstanding; or
 - (3) fifteen or more Facility C Loans would be outstanding.
- (B) Any Loan made by a single Lender under clause 6.2 (Unavailability of a currency) shall not be taken into account in this clause 4.4.

PART 3: UTILISATION

5. **Utilisation**

5.1. **Delivery of a Utilisation Request**

- (A) Subject to paragraph (B) below, the Company may utilise a Facility by delivery to the Agent of a duly completed Utilisation Request not later than the Specified Time or such later time as may be agreed between the Company and the Agent.
- (B) The initial Utilisation Request under this Agreement may be delivered to the Agent not later than 10.00 a.m. one Business Day prior to the proposed Utilisation Date.

5.2. **Completion of a Utilisation Request**

- (A) Each Utilisation Request is irrevocable and will not be regarded as having been duly completed unless:
 - (1) it identifies the Facility to be utilised;
 - (2) the proposed Utilisation Date is a Business Day within the Availability Period applicable to that Facility;
 - (3) the currency and amount of the Loan comply with clause 5.3 (*Currency and amount*);
 - (4) the proposed Interest Period complies with clause 10 (*Interest Periods*); and
 - (5) the Loan complies with clause 3.1 (*Purpose*).
- (B) Only one Loan may be requested in each Utilisation Request.

5.3. **Currency and amount**

- (A) The currency specified in a Utilisation Request must be the Base Currency or an Optional Currency.
- (B) The amount of the proposed Loan must be :
 - (1) an amount equal to a Base Currency Amount of SEK 50,000,000 and, if higher, in integral multiples equal to a Base Currency Amount of SEK 10,000,000 or, if less, the Available Facility;
 - (2) if the currency selected is EUR, a minimum of EUR 10,000,000 and, if higher, in integral multiples of EUR 5,000,000 or, if less, the Available Facility;

- (3) if the currency selected is USD, a minimum of USD 10,000,000 and, if higher, in integral multiples of USD 5,000,000 or, if less, the Available Facility;
- (4) if the currency selected is another Optional Currency, the minimum amount (and, if higher, integral multiple) specified by the Agent pursuant to paragraph (B)(2) of clause 4.3 (*Conditions relating to Optional Currencies*) or, if less, the Available Facility; and
- (5) in any event such that its Base Currency Amount is less than or equal to the Available Facility.

5.4. **Lenders' participation**

- (A) If the conditions set out in this Agreement have been met, each Lender shall make its participation in each Loan available by the Utilisation Date through its Facility Office.
- (B) The amount of each Lender's participation in each Loan will be equal to the proportion borne by its Available Commitment to the Available Facility immediately prior to making the Loan.
- (C) The Agent shall determine the Base Currency Amount of each Loan which is to be made in an Optional Currency and shall notify each Lender of the amount, currency and the Base Currency Amount of each Loan and the amount of its participation in that Loan, in each case by the Specified Time.

5.5. **Cancellation of commitment**

The Commitments which, at that time, are unutilised shall be immediately cancelled at the end of the Availability Period for that Facility.

6. **Optional currencies**

6.1. **Selection of currency**

- (A) The Company shall select the currency of a Loan:
 - (1) (in the case of an initial Loan) in the Utilisation Request; and
 - (2) (afterwards in relation to a Term Loan made to it) in a Selection Notice.
- (B) If the Company fails to issue a Selection Notice in relation to a Term Loan, the Loan will remain denominated for its next Interest Period in the same currency in which it is then outstanding.
- (C) If the Company issues a Selection Notice requesting a change of currency and the first day of the requested Interest Period is not a Business Day for the new currency, the Agent shall promptly notify the Company and the Lenders and the Loan will

remain in the existing currency (with Interest Periods running from one Business Day until the next Business Day) until the next day which is a Business Day for both currencies, on which day the requested Interest Period will begin.

6.2. **Unavailability of a currency**

If before the Specified Time:

- (A) a Lender notifies the Agent that the Optional Currency requested is not readily available to it in the amount required; or
- (B) a Lender notifies the Agent that compliance with its obligation to participate in a Loan in the proposed Optional Currency would contravene a law or mandatory regulation applicable to it,

the Agent will give notice to the Company to that effect by the Specified Time on that day. In this event, any Lender that gives notice pursuant to this clause 6.2 will be required to participate in the Loan in the Base Currency (in an amount equal to that Lender's proportion of the Base Currency Amount) and its participation will be treated as a separate Loan denominated in the Base Currency during that Interest Period.

6.3. **Change of currency**

- (A) If a Term Loan is to be denominated in different currencies during two successive Interest Periods:
 - (1) if the currency for the second Interest Period is an Optional Currency, the amount of the Loan in that Optional Currency will be calculated by the Agent as the amount of that Optional Currency equal to the Base Currency Amount of the Loan at the Agent's Spot Rate of Exchange at the Specified Time;
 - (2) if the currency for the second Interest Period is the Base Currency, the amount of the Loan will be equal to the Base Currency Amount;
 - (3) (unless the Agent and the Company agree otherwise in accordance with paragraph (B) below) the Company shall repay the Loan on the last day of the first Interest Period in the currency in which it was denominated for that Interest Period; and
 - (4) (subject to clause 4.2 (*Further conditions precedent*)) the Lenders shall re-advance the Loan in the new currency in accordance with clause 6.5 (*Agent's calculations*).
- (B) If the Agent and the Company agree, the Agent shall:

- (1) apply the amount paid to it by the Lenders pursuant to paragraph (A)(4) above (or so much of that amount as is necessary) in or towards purchase of an amount in the currency in which the Term Loan is outstanding for the first Interest Period; and
 - (2) use the amount it purchases in or towards satisfaction of the Company's obligations under paragraph (A)(3) above.
- (C) If the amount purchased by the Agent pursuant to paragraph (B)(1) above is less than the amount required to be repaid by the Company, the Agent shall promptly notify that Company and the Company shall, on the last day of the first Interest Period, pay an amount to the Agent (in the currency of the outstanding Term Loan for the first Interest Period) equal to the difference.
- (D) If any part of the amount paid to the Agent by the Lenders pursuant to paragraph (A)(4) above is not needed to purchase the amount required to be repaid by the Company, the Agent shall promptly notify the Company and pay the Company, on the last day of the first Interest Period that part of that amount (in the new currency).

6.4. **Same Optional Currency during successive Interest Periods**

- (A) If a Term Loan is to be denominated in the same Optional Currency during two successive Interest Periods, the Agent shall calculate the amount of the Term Loan in the Optional Currency for the second of those Interest Periods (by calculating the amount of Optional Currency equal to the Base Currency Amount of that Term Loan at the Agent's Spot Rate of Exchange at the Specified Time) and (subject to paragraph (B) below):
- (1) if the amount calculated is less than the existing amount of that Term Loan in the Optional Currency during the first Interest Period, promptly notify the Company and the Company shall pay, on the last day of the first Interest Period, an amount equal to the difference; or
 - (2) if the amount calculated is more than the existing amount of that Term Loan in the Optional Currency during the first Interest Period, promptly notify each Lender and, if no Default is continuing, each Lender shall, on the last day of the first Interest Period, pay its participation in an amount equal to the difference.
- (B) If the calculation made by the Agent pursuant to paragraph (A) above shows that the amount of the Term Loan in the Optional Currency for the second of those Interest Periods converted into the Base Currency at the Agent's Spot Rate of Exchange at the Specified Time has increased or decreased by less than 10 per cent. compared to its Base Currency Amount (taking into account any payments made pursuant to paragraph (A) above), no notification shall be made by the Agent and no payment shall be required under paragraph (A) above.

6.5. **Agent's calculations**

- (A) All calculations made by the Agent pursuant to this clause 6 will take into account any repayment, prepayment, consolidation or division of Term Loans to be made on the last day of the first Interest Period.
- (B) Each Lender's participation in a Loan will, subject to paragraph (A) above, be determined in accordance with paragraph (B) of clause 5.4 (*Lenders' participation*).

PART 4: REPAYMENT, PREPAYMENT AND CANCELLATION

7. **Repayment**

7.1. **Repayment of Facility A Loans**

The Company shall repay the aggregate Facility A Loans in instalments by repaying on each Facility A Repayment Date an amount which reduces the Base Currency Amount of the outstanding aggregate Facility A Loans by the amount set out opposite that Facility A Repayment Date below.

Facility A Repayment Date	Repayment Instalment (SEK)
31 December 2015	286,458,333
30 June 2016	286,458,333
31 December 2016	286,458,333
30 June 2017	286,458,333
31 December 2017	286,458,333
30 June 2018	286,458,333
31 December 2018	286,458,333
30 June 2019	286,458,333
31 December 2019	286,458,333
30 June 2020	286,458,333
Termination Date for Facility A	all remaining amounts then outstanding under Facility A

7.2. **Repayment of Facility B Loans**

The Company shall repay the Facility B Loans in full on the applicable Termination Date.

7.3. **Repayment of Facility C Loans**

(A) Subject to paragraph (C) below, the Company shall repay each Facility C Loan on the last day of its Interest Period.

(B) Without prejudice to the Company's obligation under paragraph (A) above, if:

(1) one or more Facility C Loans are to be made available to the Company:

- (a) on the same day that a maturing Facility C Loan is due to be repaid by the Company;
 - (b) in the same currency as the maturing Facility C Loan (unless it arose as a result of the operation of clause 6.2 (*Unavailability of a currency*)); and
 - (c) in whole or in part for the purpose of refinancing the maturing Facility C Loan; and
- (2) the proportion borne by each Lender's participation in the maturing Facility C Loan to the amount of that maturing Facility C Loan is the same as the proportion borne by that Lender's participation in the new Facility C Loans to the aggregate amount of those new Facility C Loans,

the aggregate amount of the new Facility C Loans shall be treated as if applied in or towards repayment of the maturing Facility C Loan so that:

- (a) if the amount of the maturing Facility C Loan exceeds the aggregate amount of the new Facility C Loans:
 - (i) the Company will only be required to pay an amount in cash in the relevant currency equal to that excess; and
 - (ii) each Lender's participation (if any) in the new Facility C Loans shall be treated as having been made available and applied by the Company in or towards repayment of that Lender's participation (if any) in the maturing Facility C Loan and that Lender will not be required to make its participation in the new Facility C Loans available in cash; and
- (b) if the amount of the maturing Facility C Loan is equal to or less than the aggregate amount of the new Facility C Loans:
 - (i) the Company will not be required to make any payment in cash; and
 - (ii) each Lender will be required to make its participation in the new Facility C Loans available in cash only to the extent that its participation (if any) in the new Facility C Loans exceeds that Lender's participation (if any) in the maturing Facility C Loan and the remainder of that Lender's participation in the new Facility C Loans shall be treated as having been made available and applied by the Company in or towards repayment of that Lender's participation in the maturing Facility C Loan.

(C) Any Facility C Loans outstanding shall be repaid in full on the Termination Date applicable to Facility C.

8. **Prepayment and cancellation**

8.1. **Illegality**

If it becomes unlawful in any applicable jurisdiction for a Lender to perform any of its obligations as contemplated by this Agreement or to fund or maintain its participation in any Loan:

- (A) that Lender shall promptly notify the Agent upon becoming aware of that event;
- (B) upon the Agent notifying the Company, the Commitments of that Lender will be immediately cancelled; and
- (C) the Company shall repay that Lender's participation in the Loans on the last day of the Interest Period for each Loan occurring after the Agent has notified the Company or, if earlier, the date specified by the Lender in the notice delivered to the Agent (being no earlier than the last day of any applicable grace period permitted by law).

8.2. **Change of control**

- (A) If:
 - (1) any person or group of persons acting in concert (meaning acting together pursuant to an agreement or understanding (whether formal or informal)), through a single transaction or series of transactions acquires, directly or indirectly, shares in the Company representing more than 50 per cent. of the issued share capital or votes in the Company; or
 - (2) the shares of the Company are de-listed from the Nasdaq OMX Nordic Exchange, the Company shall without delay after becoming aware of such acquisition or de-listing give notice to the Agent thereof. The Agent may (and shall, if instructed by any of the Lenders) for a period of 30 days from the date of receipt of any such notice from the Company, negotiate with the Company with a view to agreeing terms and conditions acceptable to the Company and the Agent for continuing the Facilities. Any agreement in writing between the Agent (acting on the instruction of all Lenders) and the Company reached within 30 days after notice from the Company shall take effect in accordance with its terms.
- (B) If no such agreement as is referred to in paragraph (A) above is reached within that 30 day period, the Agent shall, at the request of a Lender, by notice to the Company, cancel the Commitments of that Lender and demand repayment of that Lender's participation in all Loans, such repayment to be made on a Business Day not less than 30 days after such notice.

8.3. Acquisition Proceeds

- (A) For the purposes of this clause 8.3, clause 8.4 (Application of mandatory prepayments and cancellations) and clause 8.5 (Mandatory Prepayment Accounts):

“Acquisition Proceeds” means the proceeds of a claim (a “Recovery Claim”) against the Vendor or any of its Affiliates (or any employee, officer or adviser) in relation to the Acquisition Agreement or against the provider of any Report (in its capacity as a provider of that Report) except for Excluded Acquisition Proceeds, and after deducting:

- (1) any reasonable expenses which are incurred by any member of the Group to persons who are not members of the Group; and
- (2) any Tax incurred and required to be paid by a member of the Group (as reasonably determined by the relevant member of the Group on the basis of existing rates and taking into account any available credit, deduction or allowance),

in each case in relation to that Recovery Claim.

“Excluded Acquisition Proceeds” means any proceeds of a Recovery Claim which the Company notifies the Agent are, or are to be, applied:

- (1) in payment of amounts payable to the Vendor pursuant to the Acquisition Agreement by way of adjustment to the purchase price in respect of the Acquisition (except to the extent relating to a working capital adjustment);
- (2) to satisfy (or reimburse a member of the Group which has discharged) any liability, charge or claim upon a member of the Group by a person which is not a member of the Group; or
- (3) in the replacement, reinstatement and/or repair of assets of members of the Group which have been lost, destroyed or damaged,

in each case as a result of the events or circumstances giving rise to that Recovery Claim, if those proceeds are so applied as soon as possible (but in any event within 120 days, or such longer period as the Majority Lenders may agree) after receipt.

- (B) The Company shall prepay Loans, and cancel Available Commitments, in amounts equal to the amount of Acquisition Proceeds at the times and in the order of application contemplated by clause 8.4 (*Application of mandatory prepayments and cancellations*).

8.4. Application of mandatory prepayments and cancellations

- (A) A prepayment of Loans or cancellation of Available Commitments made under clause 8.3 (*Acquisition Proceeds*) shall be applied in the following order:
- (1) first, in prepayment of Facility B Loans;
 - (2) secondly, when all Facility B Loans have been prepaid in full, in prepayment of Facility A Loans;
- (B) Unless the Company makes an election under paragraph (D) below, it shall prepay Loans promptly upon receipt of the Acquisition Proceeds.
- (C) A prepayment under clause 8.3 (*Acquisition Proceeds*) of Facility A Loans in accordance with the provisions of paragraph (A)(2) above shall reduce the relevant Repayment Instalment for each Facility A Repayment Date falling after the date of prepayment on a pro rata basis.
- (D) Subject to paragraph (E) below, the Company may elect that any prepayment under clause 8.3 (*Acquisition Proceeds*) be applied in prepayment of a Loan on the last day of the Interest Period relating to that Loan. If the Company makes that election then a proportion of the Loan equal to the amount of the relevant prepayment will be due and payable on the last day of its Interest Period.
- (E) If the Company has made an election under paragraph (D) above but a Default has occurred and is continuing, that election shall no longer apply and a proportion of the Loan in respect of which the election was made equal to the amount of the relevant prepayment shall be immediately due and payable (unless the Majority Lenders otherwise agree in writing).
- (F) Following any prepayment in accordance with this clause 8.4, an amount of that Lender's Commitment under the relevant Term Facility (in an amount equal to the Base Currency Amount of the amount being prepaid) will be deemed to be cancelled on the date of prepayment.

8.5. **Mandatory Prepayment Accounts**

- (A) The Company shall ensure that Acquisition Proceeds in respect of which the Company has made an election under paragraph (D) of clause 8.4 (*Application of mandatory prepayments and cancellations*) are paid into a Mandatory Prepayment Account as soon as reasonably practicable after receipt by a member of the Group.
- (B) The Company irrevocably authorises the Agent to apply amounts credited to the Mandatory Prepayment Account to pay amounts due and payable under clause 8.4 (*Application of mandatory prepayments and cancellations*) and otherwise under the Finance Documents.
- (C) A Lender or Agent with which a Mandatory Prepayment Account is held acknowledges and agrees that interest shall accrue at normal commercial rates on

amounts credited to those accounts and that the account holder shall be entitled to receive such interest (which shall be paid in accordance with the mandate relating to such account).

8.6. Excluded proceeds

Where Excluded Acquisition Proceeds include amounts which are intended to be used for a specific purpose within a specified period (as set out in the definition of Excluded Acquisition Proceeds), the Company shall ensure that those amounts are used for that purpose and shall upon the request of the Agent promptly deliver a certificate to the Agent at the time of such application and at the end of such period confirming the amount (if any) which has been so applied within the requisite time periods provided for in the relevant definition.

8.7. Automatic cancellation — Term Facilities

The Commitments of each Lender under each Term Facility will be automatically cancelled at the close of business on the last day of the Availability Period for that Term Facility to the extent undrawn at that date.

8.8. Automatic cancellation — Facility C

The Commitments of each Lender under Facility C will be automatically cancelled at the close of business on the last day of the Availability Period for Facility C.

8.9. Voluntary cancellation

The Company may, if it gives the Agent not less than five Business Days' (or such shorter period as the Lenders may agree) prior notice, cancel the whole or any part (being a minimum amount of SEK 50,000,000 and integral multiples of SEK 10,000,000) of an Available Facility. Any cancellation under this clause 8.9 shall reduce the Commitments of the Lenders rateably under that Facility.

8.10. Voluntary prepayment of Term Loans

(A) The Company may, if it gives the Agent not less than five Business Days' (or such shorter period as the Lenders may agree) prior notice, prepay the whole or any part of any Term Loan, but, if in part, being an amount that reduces the amount of such Term Loan by an amount of:

- (1) if the currency selected is SEK, a minimum of SEK 50,000,000 and integral multiples of SEK 10,000,000;
- (2) if the currency selected is EUR, a minimum of EUR 10,000,000 and integral multiples of EUR 5,000,000;
- (3) if the currency selected is USD, a minimum of USD 10,000,000 and integral multiples of USD 5,000,000;

(4) if the currency selected is another Optional Currency, the minimum amount (and, if required, integral multiple) specified by the Agent pursuant to paragraph (B)(2) of clause 4.3 (*Conditions relating to Optional Currencies*).

(B) A Term Loan may only be prepaid after the last day of the relevant Availability Period (or, if earlier, the day on which the applicable Available Facility is zero).

8.11. Voluntary Prepayment of Facility C Loans

(A) The Company may, if it gives the Agent not less than five Business Days' (or such shorter period as the Majority Lenders may agree) prior notice, prepay the whole or any part of a Facility C Loan but if in part, being an amount that reduces the amount of the Facility C Loan by an amount of:

(1) if the currency selected is SEK, a minimum of SEK 50,000,000 and integral multiples of SEK 10,000,000;

(2) if the currency selected is EUR, a minimum of EUR 10,000,000 and integral multiples of EUR 5,000,000;

(3) if the currency selected is USD, a minimum of USD 10,000,000 and integral multiples of USD 5,000,000;

(4) if the currency selected is another Optional Currency, the minimum amount (and, if required, integral multiple) specified by the Agent pursuant to paragraph (B)(2) of clause 4.3 (*Conditions relating to Optional Currencies*).

8.12. Right of repayment and cancellation in relation to a single Lender

(A) If:

(1) any sum payable to any Lender by the Company is required to be increased under paragraph (C) of clause 13.2 (*Tax gross-up*); or

(2) any Lender claims indemnification from the Company under clause 13.3 (*Tax indemnity*) or clause 14.1 (*Increased costs*), the Company may, whilst the circumstance giving rise to the requirement or indemnification continues, give the Agent notice of cancellation of the Commitment of that Lender (the "Relevant Lender") and/or its intention to procure the repayment of the Relevant Lender's participation in the Loans.

(B) Alternatively, the Company may request that the Relevant Lender is replaced in full by an Existing Lender or a New Lender (as defined in clause 23 (*Changes to the Lenders*) nominated by the Company) and which purchases at par all the rights and obligations of the Relevant Lender under this Agreement in accordance with clause 23 (*Changes to the Lenders*).

- (C) On receipt of a notice referred to in paragraph (A) above, the Commitment of the Relevant Lender shall immediately be reduced to zero.
- (D) On the last day of each Interest Period which ends after the Company has given notice under paragraph (A) above (or, if earlier, the date specified by the Company in that notice or the last date required by law), the Company shall repay the relevant Lender's participation in that Loan.

8.13. Right of cancellation in relation to a Defaulting Lender

- (A) If any Lender becomes a Defaulting Lender, the Company may, at any time whilst the Lender continues to be a Defaulting Lender, give the Agent 5 Business Days' notice of cancellation of each Available Commitment of that Lender.
- (B) On the notice referred to in paragraph (A) above becoming effective, each Available Commitment of the Defaulting Lender shall immediately be reduced to zero.
- (C) The Agent shall as soon as practicable after receipt of a notice referred to in paragraph (A) above, notify all the Lenders.

8.14. Restrictions

- (A) Any notice of cancellation or prepayment given by any Party under this clause 8 shall be irrevocable and, unless a contrary indication appears in this Agreement, shall specify the date or dates upon which the relevant cancellation or prepayment is to be made and the amount of that cancellation or prepayment.
- (B) Any prepayment under this Agreement shall be made together with accrued interest on the amount prepaid and, subject to any Break Costs, without premium or penalty.
- (C) The Company may not reborrow any part of a Term Loan which is prepaid or repaid.
- (D) Unless a contrary indication appears in this Agreement, any part of Facility C which is prepaid or repaid may be borrowed in accordance with the terms of this Agreement.
- (E) The Company shall not repay or prepay all or any part of the Loans or cancel all or any part of the Commitments except at the times and in the manner expressly provided for in this Agreement.
- (F) No amount of the Total Commitments cancelled under this Agreement may be subsequently reinstated, subject to clause 2.2 (*Increase*).
- (G) If the Agent receives a notice under this clause 8 it shall promptly forward a copy of that notice to either the Company or the affected Lender, as appropriate.

- (H) If all or part of a Loan under a Facility is repaid or prepaid and is not available for redrawing (other than by operation of clause 4.2 (*Further conditions precedent*)), an amount of the Commitments (equal to the Base Currency Amount of the amount of the Loan which is repaid or prepaid) in respect of that Facility will be deemed to be cancelled on the date of repayment or prepayment. Any cancellation under this paragraph (H) shall reduce the Commitments of the Lenders rateably under that Facility.

PART 5: COSTS OF UTILISATION

9. **Interest**

9.1. **Calculation of interest**

The rate of interest on each Loan for each Interest Period is the percentage rate per annum which is the aggregate of the:

- (A) Applicable Margin; and
- (B) relevant IBOR.

9.2. **Payment of interest**

The Company to which a Loan has been made shall pay accrued interest on that Loan on the last day of each Interest Period (and, if the Interest Period is longer than six months, on the dates falling at six-monthly intervals after the first day of the Interest Period).

9.3. **Applicable Margin**

- (A) Prior to any change in Margin calculated in accordance with paragraph (C) below, the initial Applicable Margin in relation to each Facility A Loan and Facility B Loan shall be 3.25 per cent. per annum and will thereafter be adjusted (upwards or downwards) to the percentage rate per annum specified below opposite the range into which the Senior Net Debt to Adjusted EBITDA Ratio for the Test Period (as calculated in accordance with the provisions of clause 20 (*Financial Covenants*) as shown in the most recent Compliance Certificate, falls.

Column 1 Senior Net Debt to Adjusted EBITDA Ratio	Column 2 Applicable Margin (% per annum)
Equal to or more than 5.00:1.00	3.25
Equal to or more than 4.50:1.00, but less than 5.00:1.00	3.00
Equal to or more than 4.00:1.00, but less than 4.50:1.00	2.50
Equal to or more than 3.50:1.00, but less than 4.00:1.00	1.70
Equal to or more than 3.00:1.00, but less than 3.50:1.00	1.45
Equal to or more than 2.00:1.00 but less than 3.00:1.00	1.30
Less than 2.00:1.00	1.15

- (B) Prior to any change in Margin calculated in accordance with paragraph (C) below, the initial Applicable Margin in relation to each Facility C Loan shall be 3.10 per cent. per annum and will thereafter be adjusted (upwards or downwards) to the percentage rate per annum specified below opposite the range into which the Senior Net Debt to Adjusted EBITDA Ratio for the Test Period (as calculated under clause 20 (*Financial Covenants*) as shown in the most recent Compliance Certificate, falls.

Column 1 Senior Net Debt to Adjusted EBITDA Ratio	Column 2 Applicable Margin (% per annum)
Equal to or more than 5.00:1.00	3.10
Equal to or more than 4.50:1.00, but less than 5.00:1.00	2.85
Equal to or more than 4.00:1.00, but less than 4.50:1.00	2.35
Equal to or more than 3.50, but less than 4.00:1.00	1.55
Equal to or more than 3.00:1.00, but less than 3.50:1.00	1.30
Equal to or more than 2.00:1.00, but less than 3.00:1.00	1.15
Less than 2.00:1.00	1.00

- (C) Subject to sub-paragraph (D) below, any change in the Applicable Margin will apply to each Loan from and including the fifth Business Day after the date of receipt by the Agent of the relevant Compliance Certificate.
- (D) For so long:
- (1) the Company is in default of its obligation under this Agreement to provide a Compliance Certificate; or
 - (2) a Default is outstanding, the Applicable Margin for:
 - (a) a Facility A Loan or a Facility B Loan, will be 3.25 per cent. per annum; and
 - (b) a Facility C Loan, will be 3.10 per cent. per annum.

- (E) If, following receipt by the Agent of the annual audited financial statements of the Group and any related Compliance Certificate, those statements and Compliance Certificate show that a higher Applicable Margin should have applied during a certain period, then the Company shall promptly pay to the Agent any amounts necessary to put the Agent and the Lenders in the position they would have been in had the appropriate rate of the Applicable Margin applied during such period.
- (F) Within three Business Days of the receipt by the Agent of each Compliance Certificate to be delivered under clause 19.2 (*Compliance Certificate*), the Agent shall determine the Applicable Margin in relation to each Interest Period commencing after such date of determination (the “Margin Reset Date”) and continuing until (but excluding) the next Margin Reset Date.

9.4. **Default interest**

- (A) If the Company fails to pay any amount payable by it under a Finance Document on its due date, interest shall accrue on the overdue amount from the due date up to the date of actual payment (both before and after judgment) at a rate which, subject to paragraph (B) below, is one per cent higher than the rate which would have been payable if the overdue amount had, during the period of non-payment, constituted a Loan in the currency of the overdue amount for successive Interest Periods, each of a duration of one Month. Any interest accruing under this clause 9.4 shall be immediately payable by the Company on demand by the Agent.
- (B) If any overdue amount consists of all or part of a Loan which became due on a day which was not the last day of an Interest Period relating to that Loan:
 - (1) the first Interest Period for that overdue amount shall have a duration equal to the unexpired portion of the current Interest Period relating to that Loan; and
 - (2) the rate of interest applying to the overdue amount during that first Interest Period shall be one per cent. higher than the rate which would have applied if the overdue amount had not become due.
- (C) Default interest (if unpaid) arising on an overdue amount will be compounded with the overdue amount at the end of each Interest Period applicable to that overdue amount but will remain immediately due and payable.

9.5. **Notification of rates of interest**

The Agent shall promptly notify the Lenders and the Company of the determination of a rate of interest under this Agreement.

10. **Interest periods**

10.1. **Selection of Interest Periods**

- (A) The Company may select an Interest Period for a Loan in the Utilisation Request for a Term Loan or (if the Loan is a Term Loan and has already been borrowed) in a Selection Notice delivered not later than the Specified Time.
- (B) If the Company fails to deliver a Selection Notice to the Agent, the relevant Interest Period will be three Months.
- (C) Subject to this clause 10, the Company may select an Interest Period of:
 - (1) in relation to either Facility A or Facility B, three or six Months; and
 - (2) in relation to Facility C, one, three or six Months,or any other period agreed between the Company and the Agent (acting on the instructions of all the Lenders) in relation to the relevant Facility.
- (D) An Interest Period for a Loan shall not extend beyond the Termination Date. The Company may select an Interest Period of less than one Month ending on the relevant Termination Date.
- (E) Each Interest Period for a Loan shall start on the Utilisation Date or (if already made) on the last day of its preceding Interest Period.

10.2. **Non-Business Days**

If an Interest Period would otherwise end on a day which is not a Business Day, that Interest Period will instead end on the next Business Day in that calendar month (if there is one) or the preceding Business Day (if there is not).

10.3. **Consolidation of Term Loans**

If two or more Interest Periods:

- (A) relate to Facility A Loans or to Facility B Loans in the same currency; and
- (B) end on the same date, those Facility A Loans or Facility B Loans (as relevant) will, unless the Company specifies to the contrary in the Selection Notice for the next Interest Period, be consolidated into, and treated as, a single Facility A Loan or Facility B Loan (as relevant), on the last day of the Interest Period.

11. **Changes to the calculation of interest**

11.1. **Absence of quotations**

Subject to clause 11.2 (*Market disruption*), if any IBOR is to be determined by reference to the Reference Banks but a Reference Bank does not supply a quotation by the Specified Time on the Quotation Day, the applicable IBOR shall be determined on the basis of the quotations of the remaining Reference Banks.

11.2. **Market disruption**

- (A) If a Market Disruption Event occurs in relation to a Loan for any Interest Period, then the rate of interest on each Lender's share of that Loan for the Interest Period shall be the rate per annum which is the sum of:
- (1) the Applicable Margin; and
 - (2) the rate notified to the Agent by that Lender as soon as practicable and in any event before interest is due to be paid in respect of that Interest Period, to be that which expresses as a percentage rate per annum the cost to that Lender of funding its participation in that Loan from whatever source it may reasonably select.
- (B) In this Agreement "Market Disruption Event" means:
- (1) at or about noon on the Quotation Day for the relevant Interest Period the relevant IBOR is not available and none or only one of the Reference Banks supplies a rate to the Agent to determine any IBOR for the relevant currency and Interest Period; or
 - (2) before close of business in Stockholm on the Quotation Day for the relevant Interest Period, the Agent receives notifications from a Lender or Lenders (whose participations in a Loan exceed 30 per cent. of that Loan) that the cost to it of obtaining matching deposits in the Relevant Interbank Market would be in excess of any IBOR.

11.3. **Alternative basis of interest or funding**

- (A) If a Market Disruption Event occurs and the Agent or the Company so requires, the Agent and the Company shall enter into negotiations (for a period of not more than 30 days) with a view to agreeing a substitute basis for determining the rate of interest.
- (B) Any alternative basis agreed pursuant to paragraph (A) above shall, with the prior consent of all the Lenders and the Company, be binding on all Parties.

11.4. **Break Costs**

- (A) The Company shall, within five Business Days of demand by a Finance Party, pay to that Finance Party its Break Costs attributable to all or any part of a Loan or Unpaid Sum being paid by the Company on a day other than the last day of an Interest Period for that Loan or Unpaid Sum.
- (B) Each Lender shall together with its demand, provide a certificate confirming the amount and basis of calculation of its Break Costs for any Interest Period in which they accrue.

12. **Fees**

12.1. **Commitment fee**

- (A) The Company shall pay to the Agent (for the account of each Lender) a fee in the Base Currency computed at the rate of:
- (1) 40 per cent. of the Applicable Margin on that Lender's Available Commitment under Facility A for the Availability Period applicable to Facility A;
 - (2) 40 per cent. of the Applicable Margin on that Lender's Available Commitment under Facility B for the Availability Period applicable to Facility B; and
 - (3) 40 per cent. of the Applicable Margin on that Lender's Available Commitment under Facility C for the Availability Period applicable to Facility C.
- (B) The commitment fee shall accrue on and from the date of this Agreement. The accrued commitment fee is payable quarterly in arrear and on the last day of the Availability Period and, if cancelled in full, on the cancelled amount of that Lender's Commitment at the time the cancellation is effective.
- (C) No commitment fee is payable to the Agent (for the account of a Lender) on any Available Commitment of that Lender for any day on which that Lender is a Defaulting Lender.

12.2. **Utilisation Fee**

- (A) The Company shall pay to the Agent (pro rata according to the amounts of their respective Facility C Commitments) for each Lender a utilisation fee in the Base Currency on the aggregate Facility C Loans outstanding under the Facility (where the equivalent amount in the Base Currency of each Facility C Loan outstanding in an Optional Currency shall be determined at the Agent's Spot Rate of Exchange) from time to time computed at the rate of
- (1) 0.15 per cent. per annum for any period of time that the aggregate Facility C Loans outstanding is less than or equal to thirty-three (33) per cent. of the Total Facility C Commitments;
 - (2) 0.25 per cent. per annum for any period of time that the aggregate Facility C Loans outstanding exceeds thirty-three (33) per cent. of the Total Facility C Commitments but is less than sixty-seven (67) per cent. of the Total Facility C Commitments;

(3) 0.40 per cent. per annum for any period of time that the aggregate Facility C Loans outstanding equals to or exceed sixty-seven (67) per cent. of the Total Facility C Commitments.

(B) Accrued utilisation fee is payable quarterly in arrears. Accrued utilisation fee is also payable to the Agent for a Lender on the date its Facility C Commitment is cancelled in full.

12.3. Agency fee

The Company shall pay to the Agent (for its own account) an agency fee in the amount and at the times agreed in a Fee Letter.

12.4. Up-front fee

The Company shall pay to the Bookrunners an up-front fee in the amount and at the times agreed in a Fee Letter.

PART 6: ADDITIONAL PAYMENT OBLIGATIONS

13. **Tax gross up and indemnities**

13.1. **Definitions**

(A) In this Agreement:

“Protected Party” means a Finance Party which is or will be subject to any liability, or required to make any payment, for or on account of Tax in relation to a sum received or receivable (or any sum deemed for the purposes of Tax to be received or receivable) under a Finance Document.

“Tax Credit” means a credit against, relief or remission for, or repayment of any Tax.

“Tax Deduction” means a deduction or withholding for or on account of Tax from a payment under a Finance Document, other than a FATCA Deduction.

“Tax Payment” means either the increase in a payment made by the Company to a Finance Party under clause 13.2 (*Tax gross-up*) or a payment under clause 13.3 (*Tax indemnity*).

(B) Unless a contrary indication appears, in this clause 13 a reference to “determines” or “determined” means a determination made in the absolute discretion of the person making the determination.

13.2. **Tax gross-up**

(A) The Company shall make all payments to be made by it without any Tax Deduction, unless a Tax Deduction is required by law.

(B) The Company shall promptly upon becoming aware that it must make a Tax Deduction (or that there is any change in the rate or the basis of a Tax Deduction) notify the Agent accordingly. Similarly, a Lender shall notify the Agent on becoming so aware in respect of a payment payable to that Lender. If the Agent receives such notification from a Lender it shall notify the Company.

(C) If a Tax Deduction is required by law to be made by the Company, the amount of the payment due from the Company shall be increased to an amount which (after making any Tax Deduction) leaves an amount equal to the payment which would have been due if no Tax Deduction had been required.

(D) If the Company is required to make a Tax Deduction, the Company shall make that Tax Deduction and any payment required in connection with that Tax Deduction within the time allowed and in the minimum amount required by law.

- (E) Within 30 days of making either a Tax Deduction or any payment required in connection with that Tax Deduction, the Company shall deliver to the Agent for the Finance Party entitled to the payment evidence reasonably satisfactory to that Finance Party that the Tax Deduction has been made or (as applicable) any appropriate payment paid to the relevant taxing authority.

13.3. Tax indemnity

- (A) The Company shall (within three Business Days of demand by the Agent) pay to a Protected Party an amount equal to the loss, liability or cost which that Protected Party determines will be or has been (directly or indirectly) suffered for or on account of Tax by that Protected Party in respect of a Finance Document.
- (B) Paragraph (A) above shall not apply:
 - (1) with respect to any Tax assessed on a Finance Party:
 - (a) under the law of the jurisdiction in which that Finance Party is incorporated or, if different, the jurisdiction (or jurisdictions) in which that Finance Party is treated as resident for tax purposes; or
 - (b) under the law of the jurisdiction in which that Finance Party's Facility Office is located in respect of amounts received or receivable in that jurisdiction,

if that Tax is imposed on or calculated by reference to the net income received or receivable (but not any sum deemed to be received or receivable) by that Finance Party;
 - (2) to the extent a loss, liability or cost:
 - (a) is compensated for by an increased payment under clause 13.2 (*Tax gross-up*); or
 - (b) relates to a FATCA Deduction required to be made by a Party.
- (C) A Protected Party making, or intending to make a claim under paragraph (A) above shall promptly notify the Agent of the event which will give, or has given, rise to the claim, following which the Agent shall notify the Company.
- (D) A Protected Party shall, on receiving a payment from the Company under this clause 13.3, notify the Agent.

13.4. Tax Credit

If the Company makes a Tax Payment and the relevant Finance Party determines that:

(A) a Tax Credit is attributable either to an increased payment which that Tax Payment forms part, or to that Tax Payment; and

(B) that Finance Party has obtained, utilised and retained that Tax Credit,

the Finance Party shall pay an amount to the Company which that Finance Party determines will leave it (after that payment) in the same after Tax position as it would have been in had the Tax Payment not been required to be made by the Company.

13.5. Stamp taxes

The Company shall pay and, within three Business Days of demand, indemnify each Finance Party against any cost, loss or liability that Finance Party incurs in relation to all stamp duty, registration and other similar Taxes payable in respect of any Finance Document.

13.6. VAT

(A) All amounts expressed to be payable under a Finance Document by any Party to a Finance Party which (in whole or in part) constitute the consideration for any supply for VAT purposes are deemed to be exclusive of any VAT which is chargeable on that supply, and accordingly, subject to clause 13.6(B) below, if VAT is or becomes chargeable on any supply made by any Finance Party to any Party under a Finance Document and such Finance Party is required to account to the relevant tax authority for the VAT, that Party must pay to such Finance Party (in addition to and at the same time as paying any other consideration for such supply) an amount equal to the amount of the VAT (and such Finance Party must promptly provide an appropriate VAT invoice to that Party).

(B) If VAT is or becomes chargeable on any supply made by any Finance Party (the “Supplier”) to any other Finance Party (the “Recipient”) under a Finance Document, and any Party other than the Recipient (the “Relevant Party”) is required by the terms of any Finance Document to pay an amount equal to the consideration for that supply to the Supplier (rather than being required to reimburse or indemnify the Recipient in respect of that consideration):

(1) (where the Supplier is the person required to account to the relevant tax authority for the VAT) the Relevant Party must also pay to the Supplier (at the same time as paying that amount) an additional amount equal to the amount of the VAT. The Recipient must (where this clause 13.6(B)(1) applies) promptly pay to the Relevant Party an amount equal to any credit or repayment the Recipient receives from the relevant tax authority which the Recipient reasonably determines relates to the VAT chargeable on that supply; and

(2) (where the Recipient is the person required to account to the relevant tax authority for the VAT) the Relevant Party must promptly, following demand from the Recipient, pay to the Recipient an amount equal to the VAT

chargeable on that supply but only to the extent that the Recipient reasonably determines that it is not entitled to credit or repayment from the relevant tax authority in respect of that VAT.

- (C) Where a Finance Document requires any Party to reimburse or indemnify a Finance Party for any cost or expense, that Party shall reimburse or indemnify (as the case may be) such Finance Party for the full amount of such cost or expense, including such part thereof as represents VAT, save to the extent that such Finance Party reasonably determines that it is entitled to credit or repayment in respect of such VAT from the relevant tax authority.
- (D) Any reference in this clause 13.6 to any Party shall, at any time when such Party is treated as a member of a group for VAT purposes, include (where appropriate and unless the context otherwise requires) a reference to any member of such group which is responsible for accounting for, or paying, VAT on behalf of such group, or on behalf of any or all of the members thereof.
- (E) In relation to any supply made by a Finance Party to any Party under a Finance Document, if reasonably requested by such Finance Party, that Party must promptly provide such Finance Party with details of that Party's VAT registration and such other information as is reasonably requested in connection with such Finance Party's VAT reporting requirements in relation to such supply.

13.7. FATCA Information

- (A) Subject to paragraph (C) below, each Party shall, within ten Business Days of a reasonable request by another Party:
 - (1) confirm to that other Party whether it is:
 - (a) a FATCA Exempt Party; or
 - (b) not a FATCA Exempt Party;
 - (2) supply to that other Party such forms, documentation and other information relating to its status under FATCA as that other Party reasonably requests for the purposes of that other Party's compliance with FATCA;
 - (3) supply to that other Party such forms, documentation and other information relating to its status as that other Party reasonably requests for the purposes of that other Party's compliance with any other law, regulation, or exchange of information regime.
- (B) If a Party confirms to another Party pursuant to paragraph (A)(1) above that it is a FATCA Exempt Party and it subsequently becomes aware that it is not or has ceased to be a FATCA Exempt Party, that Party shall notify that other Party reasonably promptly.

- (C) Paragraph (A) above shall not oblige any Finance Party to do anything, and paragraph (A)(3) above shall not oblige any other Party to do anything, which would or might in its reasonable opinion constitute a breach of:
- (1) any law or regulation;
 - (2) any fiduciary duty; or
 - (3) any duty of confidentiality.
- (D) If a Party fails to confirm whether or not it is a FATCA Exempt Party or to supply forms, documentation or other information requested in accordance with paragraph (A)(1) or (2) above (including, for the avoidance of doubt, where paragraph (C) above applies), then such Party shall be treated for the purposes of the Finance Documents (and payments under them) as if it is not a FATCA Exempt Party until such time as the Party in question provides the requested confirmation, forms, documentation or other information.

13.8. **FATCA Deduction**

- (A) Each Party may make any FATCA Deduction it is required to make by FATCA, and any payment required in connection with that FATCA Deduction, and no Party shall be required to increase any payment in respect of which it makes such a FATCA Deduction or otherwise compensate the recipient of the payment for that FATCA Deduction.
- (B) Each Party shall promptly, upon becoming aware that it must make a FATCA Deduction (or that there is any change in the rate or the basis of such FATCA Deduction)), notify the Party to whom it is making the payment and, in addition, shall notify the Company, and the Agent and the Agent shall notify the other Finance Parties.

14. **Increased costs**

14.1. **Increased costs**

- (A) Subject to clause 14.3 (*Exceptions*) the Company shall, within five Business Days of a demand by the Agent, pay for the account of a Finance Party the amount of any Increased Costs incurred by that Finance Party or any of its Affiliates as a result of:
- (1) the introduction of or any change in (or in the interpretation, administration or application of) any law or regulation;
 - (2) compliance with any law or regulation made after the date of this Agreement;

- (3) the implementation or application of, or compliance with, Basel III or any law or regulation that implements or applies Basel III (including, for the avoidance of doubt, CRD IV, to the extent that it applies to Basel III) (whether such implementation, application or compliance is by a government, regulator, Finance Party or any of its Affiliates); or
- (4) the introduction or increase in mandatory costs imposed by the federal reserve or a central bank.

(B) In this Agreement:

“Basel III” means:

- (1) the agreements on capital requirements, a leverage ratio and liquidity standards contained in “Basel III: A global regulatory framework for more resilient banks and banking systems”, “Basel III: International framework for liquidity risk measurement, standards and monitoring” and “Guidance for national authorities operating the countercyclical capital buffer” published by the Basel Committee on Banking Supervision on 16 December 2010, each as amended, supplemented or restated;
- (2) the rules for global systemically important banks contained in “Global systemically important banks: assessment methodology and the additional loss absorbency requirement — Rules text” published by the Basel Committee on Banking Supervision in November 2011, as amended, supplemented or restated; and
- (3) any further guidance or standards published by the Basel Committee on Banking Supervision relating to “Basel III”.

“CRD IV” means:

- (1) Regulation (EU) No. 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms; and
- (2) Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms.

“Increased Costs” means:

- (1) a reduction in the rate of return from the Facility or on a Finance Party’s (or its Affiliate’s) overall capital;
- (2) an additional or increased cost; or

- (3) a reduction of any amount due and payable under any Finance Document, which is incurred or suffered by a Finance Party or any of its Affiliates to the extent that it is attributable to that Finance Party having entered into its Commitment or funding or performing its obligations under any Finance Document.

14.2. **Increased cost claims**

- (A) A Finance Party intending to make a claim pursuant to clause 14.1 (*Increased costs*) shall notify the Agent of the event giving rise to the claim, following which the Agent shall promptly notify the Company.
- (B) Each Finance Party shall, together with its demand, provide a certificate confirming the amount and basis of calculation of its Increased Costs.

14.3. **Exceptions**

- (A) Clause 14.1 (*Increased costs*) does not apply to the extent any Increased Cost is:
- (1) attributable to a Tax Deduction required by law to be made by the Company;
 - (2) attributable to a FATCA Deduction required to be made by a Party;
 - (3) compensated for by clause 13.3 (*Tax indemnity*) (or would have been compensated for under clause 13.3 (*Tax indemnity*) but was not so compensated solely because any of the exclusions in paragraph (B) of clause 13.3 (*Tax indemnity*) applied); or
 - (4) attributable to the negligent breach by the relevant Finance Party or its Affiliates of any law or regulation.
- (B) In this clause 14.3, a reference to a “Tax Deduction” has the same meaning given to the term in clause 13.1 (*Definitions*).

15. **Other indemnities**

15.1. **Currency indemnity**

- (A) If any sum due from the Company under the Finance Documents (a “Sum”), or any order, judgment or award given or made in relation to a Sum, has to be converted from the currency (the “First Currency”) in which that Sum is payable into another currency (the “Second Currency”) for the purpose of:
- (1) making or filing a claim or proof against the Company;
 - (2) obtaining or enforcing an order, judgment or award in relation to any litigation or arbitration proceedings,

the Company shall as an independent obligation, within three Business Days of demand, indemnify each Finance Party to whom that Sum is due against any cost, loss or liability arising out of or as a result of the conversion including any discrepancy between (A) the rate of exchange used to convert that Sum from the First Currency into the Second Currency and (B) the rate or rates of exchange available to that person at the time of its receipt of that Sum.

- (B) The Company waives any right it may have in any jurisdiction to pay any amount under the Finance Documents in a currency or currency unit other than that in which it is expressed to be payable.

15.2. Other indemnities

- (A) The Company shall within five Business Days of demand, indemnify each Finance Party against any cost, loss or liability incurred by that Finance Party as a result of:
- (1) the occurrence of any Default;
 - (2) a failure by the Company to pay any amount due under a Finance Document on its due date, including without limitation, any cost, loss or liability arising as a result of clause 27 (Sharing among the Finance Parties);
 - (3) funding, or making arrangements to fund, its participation in a Loan requested by the Company in a Utilisation Request but not made by reason of the operation of any one or more of the provisions of this Agreement (other than by reason of default or negligence by that Finance Party alone); or
 - (4) a Loan (or part of a Loan) not being prepaid in accordance with a notice of prepayment given by the Company.
- (B) The Company shall promptly indemnify each Finance Party, each Affiliate of a Finance Party and each officer or employee of a Finance Party or its Affiliate, against any cost, loss or liability incurred by that Finance Party or its Affiliate (or officer or employee of that Finance Party or Affiliate) in connection with or arising out of the Acquisition or the funding of the Acquisition (including but not limited to those incurred in connection with any litigation, arbitration or administrative proceedings or regulatory enquiry concerning the Acquisition), unless such loss or liability is caused by the gross negligence or wilful misconduct of that Finance Party or its Affiliate (or employee or officer of that Finance Party or Affiliate). Any Affiliate or any officer or employee of a Finance Party or its Affiliate may rely on this clause 15.2 subject to paragraph (E) of clause 1.2 (*Construction*) and the provisions of the Contracts (Rights of Third Parties) Act 1999.

15.3. Indemnity to the Agent

The Company shall promptly indemnify the Agent against any cost, loss or liability incurred by the Agent (acting reasonably) as a result of:

- (A) investigating any event which it reasonably believes is a Default;
- (B) acting or relying on any notice, request or instruction which it reasonably believes to be genuine, correct and appropriately authorised; or
- (C) instructing lawyers, accountants, tax advisers, surveyors or other professional advisers or experts as permitted under this Agreement.

16. **Mitigation by the lenders**

16.1. **Mitigation**

- (A) Each Finance Party shall, in consultation with the Company, take all reasonable steps to mitigate any circumstances which arise and which would result in any amount becoming payable under or pursuant to, or cancelled pursuant to, any of clause 8.1 (*Illegality*), clause 13 (*Tax Gross up and Indemnities*) or clause 14.1 (*Increased Costs*) including (but not limited to) transferring its rights and obligations under the Finance Documents to another Affiliate or Facility Office.
- (B) Paragraph (A) above does not in any way limit the obligations of the Company under the Finance Documents.

16.2. **Limitation of liability**

- (A) The Company shall indemnify each Finance Party for all costs and expenses reasonably incurred by that Finance Party as a result of steps taken by it under clause 16.1 (*Mitigation*).
- (B) A Finance Party is not obliged to take any steps under clause 16.1 (*Mitigation*) if, in the opinion of that Finance Party (acting reasonably), to do so might be prejudicial to it.

17. **Costs and expenses**

17.1. **Transaction expenses**

The Company shall within 15 days of a demand pay the Agent, the Bookrunners and the Mandated Lead Arrangers the amount of all costs and expenses (including external legal fees) reasonably incurred by any of them in connection with the negotiation, preparation, printing, execution and syndication of

- (A) this Agreement and any other Finance Documents referred to in this Agreement; and
- (B) any other Finance Documents executed after the date of this Agreement.

17.2. Amendment costs

If (a) the Company requests an amendment, waiver or consent or (b) an amendment is required pursuant to clause 28.10 (*Change of currency*), the Company shall, within five Business Days of demand, reimburse the Agent the amount of all costs and expenses (including external and, to the extent work is carried out in lieu of external parties, internal legal fees) reasonably incurred by the Agent in responding to, evaluating, negotiating or complying with that request or requirement.

17.3. Enforcement costs

The Company shall, within three Business Days of demand, pay to each Finance Party the amount of all out of pocket costs and expenses incurred by that Finance Party in connection with the enforcement of, or the preservation of any rights under, any Finance Document.

PART 7: REPRESENTATIONS, UNDERTAKINGS AND EVENTS OF DEFAULT

18. **Representations**

The Company makes the representations and warranties set out in this clause 18 to each Finance Party on the date of this Agreement.

18.1. **Status**

- (A) It and each of its Subsidiaries is a corporation, duly incorporated and validly existing under the law of its jurisdiction of incorporation.
- (B) It and each of its Subsidiaries has the power to own its assets and carry on its business as it is being conducted.

18.2. **Binding obligations**

The obligations expressed to be assumed by it in each Finance Document are, subject to any general principles of law limiting its obligations which are specifically referred to in any legal opinion delivered pursuant to clause 4 (*Conditions of Utilisation*), legal, valid, binding and enforceable obligations.

18.3. **Non-conflict with other obligations**

The entry into and performance by it of, and the transactions contemplated by, the Finance Documents do not and will not conflict with:

- (A) any law or regulation applicable to it;
- (B) its constitutional documents; or
- (C) any agreement or instrument binding upon it or any of its Subsidiaries or any of its Subsidiaries' assets, in each case, to an extent or in a manner that would be reasonably expected to have a Material Adverse Effect.

18.4. **Power and authority**

It has the power to enter into, perform and deliver, and has taken all necessary action to authorise its entry into, performance and delivery of, the Finance Documents to which it is a party and the transactions contemplated by those Finance Documents.

18.5. **Validity and admissibility in evidence**

All Authorisations required:

- (A) to enable it lawfully to enter into, exercise its rights and comply with its obligations in the Finance Documents to which it is a party; and

(B) to make the Finance Documents to which it is a party admissible in evidence in its jurisdiction of incorporation, have been obtained or effected and are in full force and effect (or, in each case, will be when required).

18.6. **Governing law and enforcement**

(A) Subject to any opinion to the contrary which is specifically referred to in any legal opinion delivered pursuant to clause 4 (*Conditions of Utilisation*), the choice of English law as the governing law of the Finance Documents will be recognised and enforced in its jurisdiction of incorporation.

(B) Subject to any opinion to the contrary which is specifically referred to in any legal opinion delivered pursuant to clause 4 (*Conditions of Utilisation*), any judgment obtained in England and Wales in relation to a Finance Document will be recognised and enforced in its jurisdiction of incorporation.

18.7. **Deduction of Tax**

It is not required to make any deduction for or on account of Tax from any payment it may make under any Finance Document.

18.8. **No filing or stamp taxes**

Under the law of its jurisdiction of incorporation it is not necessary that the Finance Documents be filed, recorded or enrolled with any court or other authority in that jurisdiction or that any stamp, registration or similar Tax be paid on or in relation to the Finance Documents or the transactions contemplated by the Finance Documents.

18.9. **No default**

(A) No Event of Default is continuing or would result from the making of any Loan.

(B) No other event or circumstance is continuing which constitutes a default under any other agreement or instrument which is binding on it or any of its Subsidiaries or to which it (or any of its Subsidiaries') assets are subject which may reasonably be expected to have a Material Adverse Effect.

18.10. **No misleading information**

Any factual information provided by any member of the Group was true and accurate in all material respects as at the date it was provided or as at the date (if any) at which it is stated.

18.11. **Financial statements**

(A) Its Original Financial Statements were prepared in accordance with GAAP.

- (B) The Original Financial Statements give a true and fair view of the Group's financial condition and operations during the relevant financial period.

18.12. Pari passu ranking

Its payment obligations under the Finance Documents rank at least pari passu with the claims of all its other unsecured and unsubordinated creditors, except for obligations mandatorily preferred by law applying to companies generally.

18.13. No proceedings pending or threatened

No litigation, arbitration or administrative proceeding has been commenced by or against it or any member of the Group which is reasonably likely to be adversely determined and if so determined could reasonably be expected to have a Material Adverse Effect.

18.14. No breach of laws

- (A) It has not (and none of its Subsidiaries has) breached any law or regulation which breach has or is reasonably likely to have a Material Adverse Effect.
- (B) No labour disputes are current or, to the best of its knowledge and belief (having made due and careful enquiry), threatened against any member of the Group which have or are reasonably likely to have a Material Adverse Effect.

18.15. Taxation

- (A) It is not (and none of its Subsidiaries is) overdue in the payment of any amount in respect of Tax which has or is reasonably likely to have a Material Adverse Effect.
- (B) No claims or investigations with respect to Taxes are being, or are reasonably likely to be, made or conducted against it (or any of its Subsidiaries) which have or are reasonably likely to have a Material Adverse Effect.

18.16. Security and Financial Indebtedness

- (A) No Security Interest or Quasi-Security (as defined under clause 21.3 (*Negative pledge*)) exists over all or any of the present or future assets of any member of the Group other than as permitted by this Agreement.
- (B) No member of the Group has any Financial Indebtedness outstanding other than as permitted by this Agreement.

18.17. Good title to assets

It and each of its Subsidiaries has a good, valid and marketable title to, or a legally enforceable right to use, or valid leases or licences of, and all appropriate Authorisations to use, the assets necessary to carry on its business as presently conducted.

18.18. Centre of main interests and establishments

For the purposes of The Council of the European Union Regulation No. 1346/2000 on Insolvency Proceedings (the “Regulation”), its centre of main interest (as that term is used in Article 3(1) of the Regulation) is situated in its jurisdiction of incorporation.

18.19. No adverse consequences

(A) It is not necessary under the laws of the Company’s jurisdiction of incorporation:

- (1) in order to enable any Finance Party to enforce its rights under any Finance Document; or
- (2) by reason of the execution of any Finance Document or the performance by it of its obligations under any Finance Document,

that any Finance Party should be licensed, qualified or otherwise entitled to carry on business in the Company’s jurisdiction of incorporation.

(B) No Finance Party is or will be deemed to be resident, domiciled or carrying on business in the Company’s jurisdiction of incorporation by reason only of the execution, performance and/or enforcement of any Finance Document.

18.20. Insolvency

Neither it nor any of its Subsidiaries has taken any action nor have, to the best of its knowledge, any steps been taken or legal proceedings been started, or threatened against it, for winding-up, dissolution or re-organisation, the enforcement of any Security Interest over its assets or for the appointment of a receiver, administrator, trustee or similar officer of it or of any of its assets.

18.21. Environmental Matters

To the best of its knowledge and belief;

- (A) it and each of its Subsidiaries is in compliance with all applicable Environmental Laws, a failure of which has, or is reasonably likely to have, a Material Adverse Effect;
- (B) it, and each of its Subsidiaries, are in compliance with the terms of all environmental Authorisations necessary for the ownership and operation of its facilities and businesses as presently owned and operated, a failure of which has, or is reasonably likely to have, a Material Adverse Effect; and
- (C) no Dangerous Materials have been used, disposed of, generated, stored, transported, dumped, deposited, buried or emitted by any member of the Group at, on, from or under any premises (whether or not owned, leased, occupied or controlled by any

member of the Group) in breach of any Environmental Law applicable to it which in any such case, has, or is reasonably likely to have a Material Adverse Effect.

18.22. **Information Package**

In the case of the Company only, as at the date of this Agreement:

- (A) the factual information contained in the Information Package was true and accurate in all material respects as at its date or (if appropriate) as at the date (if any) at which it is stated to be given;
- (B) the financial projections contained in the Information Package have been prepared as at its date, on the basis of recent historical information and assumptions believed by the Company to be fair and reasonable;
- (C) each expression of opinion, expectation, intention or policy contained in the Information Package was made after careful consideration and enquiry and is believed by the Company to be fair and reasonable as at the date at which it is stated to be given and can be properly supported;
- (D) the Information Package did not omit as at its date any information which, if disclosed, would make the Information Package untrue or misleading in any material respect; and
- (E) as at the date of this Agreement, nothing has occurred since the date of the Information Package which, if disclosed, would make the Information Package untrue or misleading in any material respect.

18.23. **Anti-Terrorism Laws**

- (A) Neither it nor, to its knowledge, any of its Subsidiaries:
 - (1) is in violation of any Anti-Terrorism Law; or
 - (2) deals in any property or interest in property blocked pursuant to any Anti-Terrorism Law.
- (B) In relation to any Finance Party incorporated or having its registered office in the Federal Republic of Germany (a "Restricted Finance Party"), the representation set out in paragraph (A) above shall only apply for the benefit of such Restricted Finance Party to the extent that it would not expose such Restricted Finance Party or any director, officer or employee thereof to any liability under EU Regulation (EC) 2271/96 or Section 7 of the German Foreign Trade Regulation (AWV § 7) or any law or regulation having a similar effect.

18.24. **Sanctions**

- (A) The Company, each member of the Group, and their respective directors, officers, employees, agents or representatives has been and is in compliance with Sanctions Laws.
- (B) Neither the Company, nor any Subsidiary, and their respective directors, officers, employees, agents or representatives:
 - (1) is a Restricted Party, or is involved in any transaction through which it is likely to become a Restricted Party; or
 - (2) is subject to or involved in any inquiry, claim, action, suit, proceeding or investigation against it with respect to Sanctions Laws.
- (C) In relation to any Restricted Finance Party, the representations set out in paragraphs (A) and (B) above shall only apply for the benefit of such Restricted Finance Party to the extent that it would not expose such Restricted Finance Party or any director, officer or employee thereof to any liability under EU Regulation (EC) 2271/96 or Section 7 of the German Foreign Trade Regulation (AWV § 7) or any law or regulation having a similar effect.

18.25. **Employee Benefit Plans**

- (A) Neither the Company nor any other member of the Controlled Group has any unfunded liabilities in respect of any Employee Plan except to the extent that it does not, or would not have a Material Adverse Effect.
- (B) No Multiemployer Plan is in reorganisation or insolvent except to the extent that it does not have a Material Adverse Effect.

18.26. **The Acquisition**

The Acquisition Agreement contains all the material terms of the Acquisition.

18.27. **Anti-bribery, anti-corruption and anti-money laundering**

Neither the Company nor any of its subsidiaries, directors or officers, or, to the best knowledge of the company, any affiliate, agent or employee of it, has engaged in any activity or conduct which would violate any applicable anti-bribery, anti-corruption or anti-money laundering laws or regulations in any applicable jurisdiction and the Company has instituted and maintains policies and procedures designated to prevent violation of such laws, regulations and rules.

18.28. **Repetition**

The Repeating Representations are deemed to be made by the Company by reference to the facts and circumstances then existing on the date of each Utilisation Request and the first day of each Interest Period.

19. **Information undertakings**

The undertakings in this clause 19 remain in force from the date of this Agreement for so long as any amount is outstanding under the Finance Documents or any Commitment is in force.

19.1. **Financial statements**

The Company shall supply to the Agent in sufficient copies for all the Lenders:

- (A) as soon as the same become available, but in any event within 120 days after the end of each of its financial years, its audited consolidated financial statements for that financial year; and
- (B) as soon as the same become available, but in any event within 60 days after the end of each consecutive three month period of its financial years, its consolidated financial statements for that three month period.

19.2. **Compliance Certificate**

- (A) The Company shall supply to the Agent, with each set of financial statements delivered pursuant to paragraph (A) or (B) of clause 19.1 (*Financial statements*), a Compliance Certificate setting out (in reasonable detail) computations as to compliance with clause 20 (*Financial Covenants*) as at the date at which those financial statements were drawn up, including, where appropriate, details of any disposals made by the Group and any Approved Acquisitions made during the relevant Test Period.
- (B) Each Compliance Certificate shall be signed by either the Chief Executive Officer or the Chief Financial Officer of the Company.
- (C) The Company does not need to supply a Compliance Certificate with the audited consolidated financial statements delivered in accordance with clause 19.1(A) if that Compliance Certificate would be the same as the Compliance Certificate already supplied for that same period with the unaudited consolidated financial statements delivered in accordance with clause 19.1(B). The Company must notify the Agent if it will not be necessary to deliver a Compliance Certificate in such circumstances on the basis of the terms of this paragraph.

19.3. **Requirements as to financial statements**

- (A) Each set of financial statements delivered by the Company pursuant to clause 19.1(A) (*Financial statements*) shall be signed by directors of the Company in accordance with statutory Swedish legal requirements and financial statements delivered pursuant to clause 19.1(B) shall be signed by either the Chief Executive Officer or the Chief Financial Officer to show that they fairly represent its financial condition as at the date at which those financial statements were drawn up.

- (B) The Company shall procure that each set of financial statements delivered pursuant to clause 19.1 (*Financial statements*) is prepared using GAAP as used in the preparation of the Original Financial Statements unless, in relation to any set of financial statements, it notifies the Agent that there is or has been a significant change in GAAP, the accounting practices or reference periods and in the case of any material change relevant to the financial covenants in clause 20 (*Financial Covenants*) deliver to the Agent:
- (1) a description of any change necessary for those financial statements to reflect the GAAP, accounting practices and reference periods upon which the Original Financial Statements were prepared; and
 - (2) sufficient information, in form and substance as may be reasonably required by the Agent, to enable the Lenders to determine whether clause 20 (*Financial Covenants*) has been complied with and make a fair comparison between the financial position indicated in those financial statements and the Original Financial Statements.

Any reference in this Agreement to those financial statements shall be construed as a reference to those financial statements as adjusted to reflect the basis upon which the Original Financial Statements were prepared.

- (C) If the Company notifies the Agent of a change in accordance with paragraph (B) above then the Company and the Agent shall enter into negotiations in good faith with a view to agreeing any amendments to this Agreement which are necessary as a result of the change. The Company agrees to amend this Agreement as necessary (and for the avoidance of doubt, to adjust the financial covenants set out in clause 20 (*Financial Covenants*)) to ensure that any change in accordance with paragraph (B) above does not result in any alteration in the commercial effect of any term as at the date of this Agreement.

19.4. **Information: miscellaneous**

- (A) The Company shall supply to the Agent (in sufficient copies for all the Lenders, if the Agent so requests):
- (1) all documents dispatched by the Company to its shareholders (or any class of them) or its creditors generally (or any class of them) at the same time as they are dispatched;
 - (2) promptly upon becoming aware of them, the details of any litigation, arbitration or administrative proceedings which are current, threatened or pending against any member of the Group, and which, if adversely determined, would be reasonably likely to have a Material Adverse Effect;
 - (3) promptly upon becoming aware of the relevant claim, the details of any claim which is current, threatened or pending against the Vendor or any other person

in respect of the Acquisition Agreement, or any other event that may give rise to a mandatory prepayment under clause 8.3 (*Acquisition Proceeds*); and

- (4) promptly, such further information regarding the financial condition, assets and operations of the Group or any member of the Group as any Finance Party (through the Agent) may reasonably request, except to the extent that disclosure of the information would breach any law, regulation, stock exchange requirement or duty of confidentiality.

(B) The Company shall supply to the Agent:

- (1) promptly upon becoming aware of them, the details of any inquiry, claim, action, suit, proceeding or investigation pursuant to Sanctions Laws by any Sanctions Authority against it, any of its direct or indirect owners, Subsidiaries, any of their joint ventures or any of their respective directors, officers, employees, agents or representatives, as well as information on what steps are being taken with regards to answer or oppose such; and
- (2) promptly upon becoming aware that it, any of its direct or indirect owners, Subsidiaries, any of their joint ventures or any of their respective directors, officers, employees, agents or representatives has become or is likely to become a Restricted Party, details of such occurrence.

19.5. **Notification of default**

- (A) The Company shall notify the Agent of any Default (and the steps, if any, being taken to remedy it) promptly upon becoming aware of its occurrence.
- (B) Promptly upon a request by the Agent, the Company shall supply to the Agent a certificate signed by two of its directors or senior officers on its behalf certifying that no Default is continuing (or if a Default is continuing, specifying the Default and the steps, if any, being taken to remedy it).

19.6. **“Know your customer” checks**

- (A) If:
 - (1) the introduction of or any change in (or in the interpretation, administration or application of) any law or regulation made after the date of this Agreement;
 - (2) any change in the status of the Company after the date of this Agreement; or
 - (3) a proposed assignment or transfer by a Lender of any of its rights and obligations under this Agreement to a party that is not a Lender prior to such assignment or transfer,

obliges the Agent or any Lender (or, in the case of paragraph (3) above, any prospective new Lender) to comply with “know your customer” or similar identification procedures in circumstances where the necessary information is not already available to it, the Company shall promptly upon the request of the Agent or any Lender supply, or procure the supply of, such documentation and other evidence as is reasonably requested by the Agent (for itself or on behalf of any Lender) or any Lender (for itself or, in the case of the event described in paragraph above, on behalf of any prospective new Lender) in order for the Agent, such Lender or, in the case of the event described in paragraph (3) above, any prospective new Lender to carry out and be satisfied it has complied with all necessary “know your customer” or other similar checks under all applicable laws and regulations pursuant to the transactions contemplated in the Finance Documents.

- (B) Each Lender shall promptly upon the request of the Agent supply, or procure the supply of, such documentation and other evidence as is reasonably requested by the Agent (for itself) in order for the Agent to carry out and be satisfied it has complied with all necessary “know your customer” or other similar checks under all applicable laws and regulations pursuant to the transactions contemplated in the Finance Documents.

20. **Financial covenants**

20.1. **Definitions**

In this clause 20:

“Adjusted EBITDA” means, for a Test Period, EBITDA for that Test Period but adjusted:

- (A) to include the operating profit before interest, tax, depreciation, amortisation and impairment charges of a member of the Group and or any Acquired Product as defined in the definition of Approved Acquisition under clause 1.1 (*Definitions and Interpretation*) (with a documented sales track record of at least twelve (12) Months inclusion) acquired during the Test Period; and
- (B) to exclude the operating profit before interest, tax, depreciation, amortisation and impairment charges attributable to any member of the Group and or any Acquired Product as defined in the definition of Approved Acquisition under clause 1.1 (*Definitions and Interpretation*) sold during that Test Period.

“Adjusted Senior Net Debt” means Senior Net Debt, but adjusted to exclude Pension Liabilities which:

- (A) in the case of each person that was a member of the Group as at 30 June 2014, exceeds the amount in relation thereto which is outstanding on 30 June 2014 as calculated by the Company and approved by the Agent (on behalf of the Majority Lenders, acting reasonably); and

(B) in the case of each member of the Target Group, exceeds the amount in relation thereto which is outstanding on the Completion Date, as calculated by the Company and approved by the Agent (on behalf of the Majority Lenders, acting reasonably).

“Adjusted Senior Net Debt to Adjusted EBITDA Ratio” means the ratio of Adjusted Senior Net Debt to Adjusted EBITDA.

“Adjusted Senior Net Debt to Equity Ratio” means the ratio of Adjusted Senior Net Debt to Equity.

“Balance Sheet” means, at any time, the balance sheet forming part of the latest consolidated accounts of the Group (whether audited or unaudited) delivered (or required to be delivered) to the Agent under clause 19.1 (*Financial statements*).

“Cash and Cash Equivalents” means cash and cash equivalents as shown in the consolidated Balance Sheet.

“EBITDA” means, for a Test Period, earnings before interest and other financial items, Taxes, depreciation and amortisation of goodwill, as shown in the Income Statement, and excluding:

- (A) acquisition related restructuring costs directly related to the Acquisition or any Approved Acquisition; and
- (B) costs incurred to third party advisers in respect of the Acquisition and the financing thereof, up to a maximum aggregate amount not exceeding SEK 200,000,000.

“EBITDA Interest Cover Ratio” means EBITDA as a ratio to Total Interest Expenses.

“Equity” means the sum of total equity and Minority Interests as shown in the Balance Sheet.

“Income Statement” means, at any time, the income statement forming part of the latest consolidated financial statements of the Group (whether audited or unaudited) delivered (or required to be delivered) to the Agent under clause 19.1 (*Financial statements*).

“Minority Interests” mean the minority interests as shown in the Balance Sheet.

“Pension Liabilities” means any pension liabilities or other post-employment benefit obligations of the Group (net of any assets allocated in respect of such pension liabilities) treated on such in accordance with GAAP.

“Senior Net Debt” means Total Interest Bearing Debt as shown in the Balance Sheet less Cash and Cash Equivalents and Subordinated Debt.

“Senior Net Debt to Adjusted EBITDA Ratio” means the ratio of Senior Net Debt to Adjusted EBITDA.

“Senior Net Debt to Equity Ratio” means the ratio of Senior Net Debt to Equity.

“Subordinated Debt” means any interest bearing liabilities of the Company:

- (A) having no repayments until after the Termination Date;
- (B) being subordinated in right of payment to the Lenders in the event of bankruptcy or liquidation; and
- (C) with default provisions limited to the insolvency and bankruptcy of the Company.

“Test Period” means the preceding period of 12 Months ending on a Quarter Date each year as appropriate beginning with the 12 Month period ending 31 December 2014.

“Total Interest Bearing Debt” means at any time the consolidated amount of the interest bearing liabilities, including financial leases and Pension Liabilities (net of any assets allocated in respect of such Pension Liabilities), as shown in the Balance Sheet, but, for the avoidance of doubt, shall exclude any such liabilities arising in respect of the Deferred Price incurred by a member of the Group under the Acquisition Agreement.

“Total Interest Expenses” means all interest expenses incurred by the Group including interest expenses, commitment fees, agency fees, repayment and prepayment premiums incurred in repaying or prepaying Financial Indebtedness and interest elements of financial leases, as shown under the heading Interest Expenses in the Income Statement in accordance with GAAP, but, for the avoidance of doubt, shall exclude any interest expenses arising in respect of the Deferred Price incurred by a member of the Group under the Acquisition Agreement.

20.2. **Adjusted Senior Net Debt to Adjusted EBITDA**

- (A) The Company shall ensure that the Adjusted Senior Net Debt to Adjusted EBITDA Ratio shall not exceed:
 - (1) 5.50:1.00 for each Test Period ending on or before 31 December 2015;
 - (2) 5.00:1.00 for each Test Period ending after 31 December 2015 but on or before 31 December 2016; and
 - (3) 4.50:1.00 for each Test Period ending after 31 December 2016.
- (B) The Adjusted Senior Net Debt to Adjusted EBITDA Ratio shall be calculated on a pro forma basis. Furthermore, if adjustments to EBITDA are made from any Acquired Product as defined in the definition of Approved Acquisition under clause 1.1 (*Definitions and Interpretation*), the calculation of EBITDA shall at the request of

the Agent (acting on behalf of the Majority Lenders) be verified in a certificate from the auditors of the Company.

20.3. Adjusted Senior Net Debt to Equity

The Company shall ensure that the Adjusted Senior Net Debt to Equity Ratio for each Test Period shall not exceed 1.50:1.00.

20.4. EBITDA Interest Cover Ratio

The Company shall ensure that the EBITDA Interest Cover Ratio for each Test Period exceeds 3.00:1.00.

21. General Undertakings

The undertakings in this clause 21 remain in force from the date of this Agreement for so long as any amount is outstanding under the Finance Documents or any Commitment is in force.

21.1. Authorisations

The Company shall promptly:

- (A) obtain, comply with and do all that is necessary to maintain in full force and effect; and
- (B) supply certified copies to the Agent of,

any Authorisation required under any law or regulation of its jurisdiction of incorporation to enable it to perform its obligations under the Finance Documents and to ensure the legality, validity, enforceability or admissibility in evidence in its jurisdiction of incorporation of any Finance Document.

21.2. Compliance with laws

The Company shall comply in all respects with all laws to which it may be subject, if failure so to comply would have a Material Adverse Effect.

21.3. Negative pledge

- (A) The Company shall not (and shall ensure that no other member of the Group will) create or permit to subsist any Security Interest over any of its assets.
- (B) The Company shall not (and shall ensure that no other member of the Group will):
 - (1) sell, transfer or otherwise dispose of any of its assets on terms whereby they are or may be leased to or re-acquired by the Company or any other member of the Group;

- (2) sell, transfer or otherwise dispose of any of its receivables on recourse terms;
- (3) enter into any arrangement under which money or the benefit of a bank or other account may be applied, set-off or made subject to a combination of accounts; or
- (4) enter into any other preferential arrangement having a similar effect,

in circumstances where the arrangement or transaction is entered into primarily as a method of raising Financial Indebtedness or of financing the acquisition of an asset (each of the transactions in (1) to (4) above being “Quasi-Security”).

(C) Paragraphs (A) and (B) above do not apply to:

- (1) any lien arising by operation of law and in the ordinary course of trading;
- (2) any Security Interest over or affecting any asset acquired through an acquisition permitted under this Agreement if:
 - (a) the Security Interest was not created in contemplation of that acquisition;
 - (b) the principal amount secured has not been increased in contemplation of or since that acquisition; and
 - (c) the Security Interest is removed or discharged within six Months of the date of that acquisition of such asset;
- (3) any netting or set-off arrangement entered into by any member of the Group in the ordinary course of its banking arrangements for the purpose of netting debit and credit balances;
- (4) any Security Interest entered into pursuant to any Finance Document; and
- (5) any Security Interest securing indebtedness the principal amount of which (when aggregated with the principal amount of any other indebtedness which has the benefit of Security Interest given by any member of the Group other than any permitted under paragraphs (1) to (4) above) does not exceed SEK 150,000,000 (or its equivalent in another currency or currencies).

21.4. **Financial Indebtedness**

The Company shall ensure that no other member of the Group will incur or permit to subsist any Financial Indebtedness other than:

- (A) prior to the first Utilisation Date, any Financial Indebtedness under the Bridge Facilities Agreement;
- (B) prior to its payment in accordance with the terms of the Acquisition Agreement, any liabilities relating to the Deferred Price incurred by a member of the Group under the Acquisition Agreement;
- (C) any Financial Indebtedness of any person acquired by a member of the Group which is incurred under arrangements in existence at the date of an acquisition permitted under this Agreement, but only for a period of 60 days from the date of that acquisition;
- (D) Financial Indebtedness between members of the Group;
- (E) prior to 30 April 2015, any Financial Indebtedness under the Target Company Bond Loan; and
- (F) any other Financial Indebtedness in aggregate for the Group (other than the Company) not exceeding SEK 800,000,000 (or its equivalent in another currency or currencies).

21.5. Disposals

The Company shall not (and shall ensure that no member of the Group will) enter into a single transaction or a series of transactions (whether related or not) and whether voluntary or involuntary to sell, lease, transfer or otherwise dispose of any asset other than:

- (A) disposals made in the ordinary course of business on arm's length terms;
- (B) disposals which have the prior written consent of the Agent (acting on the instructions of the Majority Lenders);
- (C) dividends paid in the normal course of business in accordance with the provisions of all applicable laws and regulations;
- (D) disposals of assets in exchange for or to be replaced by other assets comparable or superior as to type, value and quality;
- (E) disposals between members of the Group (which, other than the Company, shall be wholly owned (directly or indirectly) Subsidiaries of the Company); or
- (F) disposals of assets on arm's length terms where either:
 - (1) the book value of the assets disposed of, when aggregated with the book value of all other disposals of assets by any member of the Group (other than those listed in paragraphs (A) to (D) above) during the period beginning on the date of this Agreement and ending on the Termination Date for Facility A, does not exceed 15 per cent. of the Total Assets; or

- (2) the EBITDA generated by the assets disposed of, when aggregated with the EBITDA generated by all other assets disposed of by any member of the Group (other than those listed in paragraphs (A) to (D) above), during the period beginning on the date of this Agreement and ending on the Termination Date for Facility A, does not exceed 15 per cent. of Total EBITDA.

21.6. Loans or credit

- (A) Except as permitted under paragraph (B) below, the Company shall not (and shall ensure that no member of the Group will) be a creditor in respect of any Financial Indebtedness.
- (B) Paragraph (A) does not apply to:
 - (1) any credit extended by any member of the Group to a third party under any disposal permitted under the terms of this Agreement so long as the aggregate amount of the Financial Indebtedness under any such credits does not exceed SEK 120,000,000 (or its equivalent in another currency or currencies) at any time;
 - (2) a loan made between members of the Group;
 - (3) a loan made by a member of the Group to an employee or director of any member of the Group; and
 - (4) any loan (other than a loan made by a member of the Group to another member of the Group) so long as the aggregate amount of the Financial Indebtedness under any such loans together with the aggregate amount of the Financial Indebtedness permitted under paragraph (3) above does not exceed SEK 10,000,000 (or its equivalent in another currency or currencies) at any time.

21.7. No Guarantees or indemnities

The Company shall not (and shall ensure that no member of the Group will) incur or allow to remain outstanding any guarantee in respect of any obligation of any person except:

- (A) endorsement of negotiable instruments in the ordinary course of trade; or
- (B) any performance or similar bond guaranteeing performance by a member of the Group under any contract entered into in the ordinary course of trade.

21.8. Taxation

The Company shall (and shall ensure that each member of the Group will) use all reasonable efforts to pay and discharge all Taxes imposed upon it or its assets within the time period allowed without incurring penalties unless and only to the extent that:

- (A) such payment is being contested in good faith;
- (B) adequate reserves are being maintained for those Taxes and the costs required to contest them which have been disclosed in its latest financial statements delivered to the Agent under clause 19.1 (*Financial statements*); and
- (C) such payment can be lawfully withheld and failure to pay those Taxes does not have or is not reasonably likely to have a Material Adverse Effect.

21.9. **Merger**

The Company shall not (and shall ensure that no member of the Group will) enter into any merger or corporate reconstruction unless:

- (A) between members of the Group; and
- (B) where the Company is the surviving entity.

21.10. **Change of business**

The Company shall ensure that no substantial change is made to the general nature of the business of the Company or the Group taken as a whole from that carried on at the date of this Agreement.

21.11. **Insurance**

The Company shall (and shall ensure that the Group shall) effect and maintain insurance in relation to its assets and business with reputable insurers in such a manner and to such extent which would in the circumstances be good business practice.

21.12. **Acquisitions**

The Company shall not (and shall ensure that no member of the Group will) perform any acquisitions other than (i) an Approved Acquisition, (ii) acquisitions where the aggregate cash and non-cash consideration paid or payable by the Company (when aggregated with the consideration of any other acquisition not allowed under (i) in this paragraph) does not exceed SEK 500,000,000 (or its equivalent in any other currency or currencies) in any financial year or (iii) if the latest Compliance Certificate delivered to the Agent evidences that the Senior Net Debt to EBITDA Ratio is below 3.50:1.00, any acquisition.

21.13. **Intellectual property rights**

The Company shall:

- (A) make such registrations and pay such fees and other amounts as are necessary to maintain registration, unless such fees and amounts exceed the value of such registration;
- (B) take such reasonable steps as are necessary and commercially motivated to prevent third parties infringing its intellectual property rights; and
- (C) not sell, transfer, lease, licence or otherwise dispose of all or any part of its interest in any of its intellectual property rights, save:
 - (1) for any licence arrangements in respect of those rights entered into with members of the Group for so long as they remain members of the Group;
 - (2) for licence arrangements in respect of those rights entered into with any third party for the purposes of supplying products or services to any member of the Group where those licence arrangements are entered into on arm's length terms; and
 - (3) for any licence arrangements in force on the date of this Agreement.

21.14. **Preservation of assets**

The Company shall (and shall ensure that each member of the Group will) maintain in good working order and condition (ordinary wear and tear excepted) all of its assets necessary or desirable in the conduct of its business.

21.15. **Par passu ranking**

The Company shall ensure that its payment obligations under the Finance Documents do and will rank at least par passu with all its other present and future unsecured and unsubordinated claims, except for obligations which are mandatorily preferred by law applying to companies generally.

21.16. **Hedge**

The Company shall enter into such hedging arrangements appropriate to any interest rate and currency risk to which it may be exposed by reason of its obligations under any agreement as the Company, acting reasonably, shall consider appropriate.

21.17. **Financing indemnity**

- (A) In this clause 21.17, "relevant litigation" means any litigation proceeding, arising, pending or threatened against the Lenders in connection with or arising directly out of any Finance Document (whether or not made).
- (B) The Company must indemnify the Lenders against any direct loss or liability which the Lenders incur as a consequence of any relevant litigation, unless it is caused by the negligence or wilful misconduct of the Lenders.

- (C) The Lenders must notify the Company promptly upon becoming aware, and in reasonable detail, of any relevant litigation and each Lender must keep the Company informed of its progress.
- (D) Each Lender must conduct any relevant litigation in good faith and will give careful consideration to the views of the Company in relation to the appointment of professional advisers and the conduct of the litigation taking into account (to the extent practicable) both its interests and the interests of the Company.
- (E) A Lender may only concede or compromise any claim in respect of any relevant litigation if it has consulted in good faith with the Company before so doing.
- (F) Notwithstanding paragraphs (A) to (E), the Lenders are not required to disclose to the Company any matter in respect of which it is under a duty of non-disclosure or which is subject to any attorney/client privilege.
- (G) The Company must keep confidential any information disclosed by the Lender to it under this clause 21.17.

21.18. **Subordinated Debt**

The Company shall not (and the Company shall ensure no member of the Group will) prepay any Subordinated Debt on or prior to the Termination Date without the consent of the Majority Lenders.

21.19. **ERISA**

- (A) The Company must promptly upon becoming aware of it notify the Agent of: (1) any Reportable Event;
 - (1) the termination of or withdrawal from, or any circumstances reasonably likely to result in the termination of or withdrawal from, any Employee Plan subject to Title IV of ERISA; and
 - (2) a claim or other communication alleging material non-compliance with any law or regulation relating to any Employee Plan.
 - (3) promptly upon a request by the Agent or a Lender, deliver to the Agent copies of Schedule B (Actuarial Information) to the Annual Report (IRS Form 5500 Series) with respect to each Employee Plan;
 - (4) within seven days after it or any ERISA Affiliate becomes aware that any Reportable Event has occurred or, in the case of any Reportable Event which requires advance notice under Section 4043(b)(3) of ERISA, will occur, deliver to the Agent a statement signed by a director or other authorised signatory of the Company or an ERISA Affiliate describing that Reportable Event and the action, if any, taken or proposed to be taken with respect to that Reportable Event;

- (5) within seven days after receipt by it or any ERISA Affiliate or any administrator of an Employee Plan, deliver to the Agent copies of each notice from the PBGC stating its intention to terminate any Employee Plan or to have a trustee appointed to administer any Employee Plan; and
 - (6) within seven days after becoming aware of any event or circumstance which might constitute grounds for the termination of (or the appointment of a trustee to administer) any Employee Plan or Multiemployer Plan, provide an explanation of that event or circumstance by a director of the Company or an ERISA Affiliate affected by that event or circumstance.
- (B) The Company shall:
- (1) ensure that neither it nor any ERISA Affiliate engages in a complete or partial withdrawal, within the meaning of Sections 4203 and 4205 of ERISA, from any Multiemployer Plan without the prior consent of the Majority Lenders;
 - (2) ensure that any material liability imposed on it or any ERISA Affiliate pursuant to Title IV of ERISA is paid and discharged when due;
 - (3) ensure that neither it nor any ERISA Affiliate adopts an amendment to an Employee Plan requiring the provision of security under ERISA or the Internal Revenue Code without the prior consent of the Majority Lenders; and
 - (4) ensure that no Employee Plan is terminated under Section 4041A of ERISA laws
- (C) The Company and its ERISA Affiliates must be, and remain, in compliance in all respects with all laws and regulations relating to each of its Employee Plans where failure to do so is reasonably likely to have a Material Adverse Effect.
- (D) Each of the Company and its ERISA Affiliates must ensure that no event or condition exists at any time in relation to an Employee Plan which is reasonably likely to result in the imposition of a Security Interest on any of its assets or which is reasonably likely to have a Material Adverse Effect.

21.20. **Anti-Terrorism Laws**

- (A)
- (1) The Company shall not knowingly engage in any transaction that violates any of the applicable prohibitions set forth in any Anti-Terrorism Law.
 - (2) None of the funds or assets of the Company that are used to repay the Facility shall constitute property of, or shall be beneficially owned directly or indirectly by, any Designated Person and no Designated Person shall have

any direct or indirect interest in the Company that would constitute a violation of any Anti-Terrorism Laws.

(3) The Company shall not, and the Company shall procure that none of its Subsidiaries will, knowingly fund all or part of any payment under this Agreement out of proceeds derived from transactions that violate the prohibitions set forth in any Anti-Terrorism Law.

(B) In relation to any Restricted Finance Party, the undertakings set out in paragraph (A) above shall only apply for the benefit of such Restricted Finance Party to the extent that they would not expose such Restricted Finance Party or any director, officer or employee thereof to any liability under EU Regulation (EC) 2271/96 or Section 7 of the German Foreign Trade Regulation (AWV § 7) or any law or regulation having a similar effect.

21.21. Target Company Bond Loan

The Company shall ensure that the Target Company Bond Loan is repaid and cancelled in full on terms satisfactory to the Agent (on behalf of the Majority Lenders) as soon as reasonably practicable and, in any event, on or before 30 April 2015.

21.22. Sanctions

(A) The Company shall ensure that neither it, nor any other member of the Group, respective directors, officers, employees, agents or representatives or any other persons acting on any of their behalf is, or will become, a Restricted Party.

(B) In relation to any Restricted Finance Party, the undertaking set out in paragraph (A) above shall only apply for the benefit of such Restricted Finance Party to the extent that it would not expose such Restricted Finance Party or any director, officer or employee thereof to any liability under EU Regulation (EC) 2271/96 or Section 7 of the German Foreign Trade Regulation (AWV § 7) or any law or regulation having a similar effect.

21.23. The Acquisition

(A) The Company shall not without the prior consent of the Agent accept any material amendments or waivers to the Acquisition Agreement.

(B) The Company shall perform and comply with its material obligations under the Acquisition Agreement and shall take all reasonably and practical steps to preserve and enforce its rights (or the rights of any other members of the Group) and pursue any claims and remedies arising under the Acquisition Agreement in each case where this is commercially justified.

22. **Events of default**

Each of the events or circumstances set out in clause 21.22 is an Event of Default (save for clause 22.15 (*Acceleration*)).

22.1. **Non-payment**

The Company does not pay on the due date any amount payable pursuant to a Finance Document at the place at and in the currency in which it is expressed to be payable unless:

- (A) its failure to pay is caused by administrative or technical error;
- (B) payment is made within three Business Days of its due date; and
- (C) in respect of payments other than of principal or interest, payment is made within two Business Days of notice of non-payment to the Company.

22.2. **Financial covenants**

Any requirement of clause 20 (*Financial Covenants*) is not satisfied.

22.3. **Other obligations**

- (A) The Company does not comply with any provision of the Finance Documents (other than those referred to in clause 22.1 (*Non-payment*) and 22.2 (*Financial covenants*)).
- (B) No Event of Default under paragraph (A) will occur if the failure to comply is capable of remedy and is remedied within 14 days of the earlier of the Agent giving notice to the relevant Company or the Company becoming aware of the failure to comply.

22.4. **Misrepresentation**

Any representation or statement made or deemed to be made by the Company in the Finance Documents or any other document delivered by or on behalf of the Company under or in connection with any Finance Document is or proves to have been incorrect or misleading in any material respect when made or deemed to be made unless the facts or circumstances underlying the misrepresentation are capable of remedy and are remedied within 20 Business Days of the earlier of the Agent giving notice to the Company or the Company becoming aware of the misrepresentation.

22.5. **Cross default**

- (A) Any Financial Indebtedness of any member of the Group is not paid when due nor within any originally applicable grace period and the obligation to pay is not disputed in good faith and with appropriate means.

- (B) Any Financial Indebtedness of any member of the Group is validly declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (however described).
- (C) Any commitment for any Financial Indebtedness of any member of the Group is cancelled or suspended by a creditor of any member of the Group as a result of an event of default (however described).
- (D) Any creditor of any member of the Group becomes entitled to declare any Financial Indebtedness of any member of the Group due and payable prior to its specified maturity as a result of an event of default (however described).
- (E) No Event of Default will occur under this clause 22.5 if the aggregate amount of Financial Indebtedness or commitment for Financial Indebtedness falling within paragraphs (A) to (D) above is less than SEK 30,000,000 (or its equivalent).

22.6. **Insolvency**

- (A) A member of the Group is unable or admits inability to pay its debts as they fall due, suspends making payments on any of its debts or commences negotiations with one or more of its creditors with a view to rescheduling any of its indebtedness.
- (B) A moratorium is declared in respect of any indebtedness of any member of the Group.

22.7. **Insolvency proceedings**

Any corporate action, legal proceedings or other procedure or step, which is not vexatious or frivolous, is taken in relation to:

- (A) the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of any member of the Group other than a solvent liquidation or reorganisation of any member of the Group which is not the Company;
- (B) a composition, compromise, assignment or arrangement with any creditor of any member of the Group;
- (C) the appointment of a liquidator (other than in respect of a solvent liquidation of a member of the Group which is not the Company), receiver, administrative receiver, administrator, compulsory manager or other similar officer in respect of any member of the Group or any of its assets; or
- (D) enforcement of any Security over any assets of any member of the Group,

or any analogous procedure or step is taken in any jurisdiction.

22.8. Creditors' process

Any expropriation, attachment or execution affects any asset or assets of any member of the Group unless such process is disputed in good faith and by appropriate means.

22.9. Unlawfulness

It is or becomes unlawful for the Company to perform any of its obligations under the Finance Documents.

22.10. Cessation of Business

The Company ceases, or threatens to cease, to carry on all or a substantial part of its business.

22.11. Repudiation

The Company repudiates a Finance Document or evidences an intention to repudiate a Finance Document.

22.12. Material litigation

Any litigation, arbitration or administrative proceeding is commenced by or against any member of the Group which is likely to be resolved against the relevant member of the Group and if so resolved will have or can be expected to have a Material Adverse Effect.

22.13. Material adverse change

Any event occurs or circumstances arise which, in the reasonable opinion of the Majority Lenders, has or is reasonably likely to have a Material Adverse Effect.

22.14. ERISA

Any of the following events results in the imposition of or granting of security, or the incurring of a liability or a material risk of incurring a liability that individually and/or in the aggregate, has or could reasonably be expected to have a Material Adverse Effect:

- (A) any Reportable Event occurs or is reasonably expected to occur;
- (B) the Company or any ERISA Affiliate incurs or is likely to incur a liability to or on account of a Multiemployer Plan as a result of a violation of Section 515 of ERISA or under Section 4201, 4204 or 4212(c) of ERISA;
- (C) the fair market value of the assets of any Employee Plan subject to Title IV of ERISA is not at least equal to the present value of the "benefit liabilities" (within the meaning of Section 4001(a)(16) of ERISA) under that Employee Plan using the actuarial assumptions and methods used by the actuary to that Employee Plan in its most recent valuation of that Employee Plan; or

- (D) the Company or any ERISA Affiliate incurs or is likely to incur a liability to or on account of an Employee Plan under Section 409, 502(i) or 502(I) of ERISA or Section 401(a)(29), 4971 or 4975 of the Internal Revenue Code.

22.15. Acceleration

On and at any time after the occurrence of an Event of Default, and whilst it is continuing, the Agent may, and shall if so directed by the Majority Lenders, by notice to the Company:

- (A) cancel the Total Commitments whereupon they shall immediately be cancelled;
- (B) declare that all or part of the Loans, together with accrued interest, and all other amounts accrued or outstanding under the Finance Documents be immediately due and payable, whereupon they shall become immediately due and payable; and/or
- (C) declare that all or part of the Loans be payable on demand, whereupon they shall immediately become payable on demand by the Agent on the instructions of the Majority Lenders.

22.16. Clean-Up Period

- (A) Notwithstanding any other provision of any Finance Document, any Event of Default constituting a Clean-Up Default during the Clean-Up Period will be deemed not to be an Event of Default if:
 - (1) it would have been (if it were not for this provision) an Event of Default only by reason of circumstances relating exclusively to any member of the Target Group (or any obligation to procure or ensure in relation to a member of the Target Group);
 - (2) it is capable of remedy and reasonable steps are being taken to remedy it;
 - (3) neither the Target nor any other member of the Group have taken any action or omitted to take any action that has caused the Clean-Up Default; and
 - (4) it is not reasonably likely to have a Material Adverse Effect.
- (B) If the relevant circumstances are continuing after the end of the Clean-Up Period, there shall be an Event of Default notwithstanding the provisions of paragraph (A) above (and without prejudice to the rights and remedies of the Finance Parties).

PART 8: CHANGES TO PARTIES

23. **Changes to the lenders**

23.1. **Assignments and transfers by the Lenders**

Subject to this clause 23, a Lender (the “Existing Lender”) may:

- (A) assign any of its rights; or
- (B) transfer by novation any of its rights and obligations,

to another bank or financial institution or to a trust, fund or other entity which is regularly engaged in or established for the purpose of making, purchasing or investing in loans, securities or other financial assets (the “New Lender”).

23.2. **Conditions of assignment or transfer**

- (A) The consent of the Company is required for an assignment or transfer by an Existing Lender, unless the assignment or transfer is to another Lender or an Affiliate of a Lender or if an Event of Default has occurred and is continuing.
- (B) The consent of the Company to an assignment or transfer must not be unreasonably withheld or delayed. The Company will be deemed to have given its consent five Business Days after the Existing Lender has requested it unless consent is expressly refused by the Company within that time.
- (C) If a Lender assigns or transfers part of its participation in the Facilities other than to one of its Affiliates or another Lender the amount of such assignment or transfer must be a minimum of SEK 50,000,000.
- (D) An assignment will only be effective on:
 - (1) receipt by the Agent (whether in the Assignment Agreement or otherwise) of written confirmation from the New Lender (in form and substance satisfactory to the Agent) that the New Lender will assume the same obligations to the other Finance Parties as it would have been under if it was an Original Lender; and
 - (2) performance by the Agent of all “know your customer” or other checks relating to any person that it is required to carry out in relation to such assignment to a New Lender, the completion of which the Agent shall promptly notify to the Existing Lender and the New Lender.
- (E) A transfer will only be effective if the procedure set out in clause 23.5 (*Procedure for transfer*) is complied with.
- (F) If:

- (1) a Lender assigns or transfers any of its rights or obligations under the Finance Documents or changes its Facility Office; and
- (2) as a result of circumstances existing at the date the assignment, transfer or change occurs, the Company would be obliged to make a payment to the New Lender or Lender acting through its new Facility Office under clause 13 (*Tax Gross up and Indemnities*) clause 14.1 (*Increased Costs*),

then the New Lender or Lender acting through its new Facility Office is only entitled to receive payment under those clauses to the same extent as the Existing Lender or Lender acting through its previous Facility Office would have been if the assignment, transfer or change had not occurred. This clause 23.2(F) shall not apply in respect of any assignment or transfer made in ordinary course of the primary syndication of the Facility.

- (G) Each New Lender, by executing the relevant Transfer Certificate, confirms, for the avoidance of doubt, that the Agent has authority to execute on its behalf any amendment or waiver that has been approved by or on behalf of the requisite Lender or Lenders in accordance with this Agreement on or prior to the date on which the transfer or assignment becomes effective in accordance with this Agreement and that it is bound by that decision to the same extent as the Existing Lender would have been had it remained a Lender.

23.3. **Assignment or transfer fee**

The New Lender shall, on the date upon which an assignment or transfer takes effect, pay to the Agent (for its own account) a fee of SEK 20,000.

23.4. **Limitation of responsibility of Existing Lenders**

- (A) Unless expressly agreed to the contrary, an Existing Lender makes no representation or warranty and assumes no responsibility to a New Lender for:

- (1) the legality, validity, effectiveness, adequacy or enforceability of the Finance Documents or any other documents;
- (2) the financial condition of the Company;
- (3) the performance and observance by the Company of its obligations under the Finance Documents or any other documents; or
- (4) the accuracy of any statements (whether written or oral) made in or in connection with any Finance Document or any other document,

and any representations or warranties implied by law are excluded.

- (B) Each New Lender confirms to the Existing Lender and the other Finance Parties that it:

- (1) has made (and shall continue to make) its own independent investigation and assessment of the financial condition and affairs of the Company and its related entities in connection with its participation in this Agreement and has not relied exclusively on any information provided to it by the Existing Lender in connection with any Finance Document; and
 - (2) will continue to make its own independent appraisal of the creditworthiness of the Company and its related entities whilst any amount is or may be outstanding under the Finance Documents or any Commitment is in force.
- (C) Nothing in any Finance Document obliges an Existing Lender to:
- (1) accept a re-transfer or re-assignment from a New Lender of any of the rights and obligations assigned or transferred under this clause 23; or
 - (2) support any losses directly or indirectly incurred by the New Lender by reason of the non performance by the Company of its obligations under the Finance Documents or otherwise.

23.5. Procedure for transfer

- (A) Subject to the conditions set out in clause 23.2 (*Conditions of assignment or transfer*) a transfer is effected in accordance with paragraph (C) below when the Agent executes an otherwise duly completed Transfer Certificate delivered to it by the Existing Lender and the New Lender. The Agent shall, subject to paragraph (B) below, as soon as reasonably practicable after receipt by it of a duly completed Transfer Certificate appearing on its face to comply with the terms of this Agreement and delivered in accordance with the terms of this Agreement, execute that Transfer Certificate.
- (B) The Agent shall only be obliged to execute a Transfer Certificate delivered to it by the Existing Lender and the New Lender once it is satisfied it has complied with all necessary “know your customer” or other similar checks under all applicable laws and regulations in relation to the transfer to such New Lender.
- (C) Subject to clause 23.9 (*Pro rata interest settlement*), on the Transfer Date:
- (1) to the extent that in the Transfer Certificate the Existing Lender seeks to assign its rights and obligations under the Finance Documents each of the Company and the Existing Lender shall be released from further obligations towards one another under the Finance Documents and their respective rights against one another under the Finance Documents shall be cancelled (being the “Discharged Rights and Obligations”);
 - (2) each of the Company and the New Lender shall assume obligations towards one another and/or acquire rights against one another which differ from the Discharged Rights and Obligations only insofar as the Company and the New

Lender have assumed and/or acquired the same in place of the Company and the Existing Lender;

- (3) the Agent, the Bookrunners, the Mandated Lead Arrangers, the New Lender and other Lenders shall acquire the same rights and assume the same obligations between themselves as they would have acquired and assumed had the New Lender been an Original Lender with the rights and/or obligations acquired or assumed by it as a result of the transfer and to that extent the Agent, the Bookrunners, the Mandated Lead Arrangers and the Existing Lender shall each be released from further obligations to each other under the Finance Documents; and
- (4) the New Lender shall become a Party as a “Lender”.

23.6. Procedure for assignment

- (A) Subject to the conditions set out in clause 23.2 (*Conditions of assignment or transfer*) an assignment may be effected in accordance with paragraph (C) below when the Agent executes an otherwise duly completed Assignment Agreement delivered to it by the Existing Lender and the New Lender. The Agent shall, as soon as reasonably practicable after receipt by it of a duly completed Assignment Agreement appearing on its face to comply with the terms of this Agreement and delivered in accordance with the terms of this Agreement, execute that Assignment Agreement.
- (B) The Agent shall only be obliged to execute an Assignment Agreement delivered to it by the Existing Lender and the New Lender once it is satisfied it has complied with all necessary “know your customer” or other similar checks under all applicable laws and regulations in relation to the assignment to such New Lender.
- (C) Subject to clause 23.9 (*Pro rata interest settlement*), on the Transfer Date:
 - (1) the Existing Lender will assign absolutely to the New Lender the rights under the Finance Documents expressed to be the subject of the assignment in the Assignment Agreement;
 - (2) the Existing Lender will be released by the Company and the other Finance Parties from the obligations owed by it (the “Relevant Obligations”) and expressed to be the subject of the assignment in the Assignment Agreement;
 - (3) the New Lender shall become a party as a “Lender” and will be bound by obligations equivalent to the Relevant Obligations.
- (D) Lenders may utilise procedures other than those set out in this clause 23.6 to assign their rights under the Finance Documents (but not, without the consent of the Company or unless in accordance with clause 23.5 (*Procedure for transfer*), to obtain a release by the company from the obligations owed to the Company by the Lenders nor the assumption of equivalent obligations by a New Lender) provided that they

comply with the conditions set out in clause 23.2 (*Conditions of assignment or transfer*).

23.7. **Copy of Transfer Certificate, Assignment Agreement or Increase Confirmation to Company**

The Agent shall, as soon as reasonably practicable after it has executed a Transfer Certificate, Assignment Agreement or Increase Confirmation, send to the Company a copy of that Transfer Certificate, Assignment Agreement or Increase Confirmation.

23.8. **Security over Lenders' rights**

In addition to the other rights provided to Lenders under this clause 23.8, each Lender may without consulting with or obtaining consent from the Company, at any time charge, assign or otherwise create any Security Interest in or over (whether by way of collateral or otherwise) all or any of its rights under any Finance Document to secure obligations of that Lender including, without limitation:

- (A) any charge, assignment or other Security Interest to secure obligations to a federal reserve or central bank; and
- (B) in the case of any Lender which is a fund, any charge, assignment or other Security Interest granted to any holders (or trustee or representatives of holders) of obligations owed, or securities issued, by that Lender as security for those obligations or securities,

except that no such charge, assignment or Security Interest shall:

- (1) release a Lender from any of its obligations under the Finance Documents or substitute the beneficiary of the relevant charge, assignment or Security Interest for the Lender as a party to any of the Finance Documents; or
- (2) require any payments to be made by the Company other than or in excess of, or grant to any person any more extensive rights than, those required to be made or granted to the relevant Lender under the Finance Documents.

23.9. **Pro rata interest settlement**

If the Agent has notified the Lenders that it is able to distribute interest payments on a “pro rata basis” to Existing Lenders and New Lenders then (in respect of any transfer pursuant to clause 23.5 (*Procedure for transfer*) or any assignment pursuant to clause 23.6 (*Procedure for assignment*) the Transfer Date of which, in each case, is after the date of such notification and is not on the last day of an Interest Period):

- (A) any interest or fees in respect of the relevant participation which are expressed to accrue by reference to the lapse of time shall continue to accrue in favour of the Existing Lender up to but excluding the Transfer Date (“Accrued Amounts”) and shall become due and payable to the Existing Lender (without further interest

accruing on them) on the last day of the current Interest Period (or, if the Interest Period is longer than six Months, on the next of the date which falls at six Monthly intervals after the first day of that Interest Period); and

- (B) the rights assigned or transferred by the Existing Lender will not include the right to the Accrued Amounts, so that, for the avoidance of doubt:
- (1) when the Accrued Amounts become payable, those Accrued Amounts will be payable to the Existing Lender; and
 - (2) the amount payable to the New Lender on that date will be the amount which would, but for the application of this clause 23.9, have been payable to it on that date, but after deduction of the Accrued Amounts.

24. **Assignment and transfers by the Company.**

The Company may not assign any of its rights or transfer any of its rights or obligations under the Finance Documents.

PART 9: THE FINANCE PARTIES

25. **Role of the Agent, the Bookrunners and the Mandated Lead Arrangers**

25.1. **Appointment of the Agent**

- (A) Each other Finance Party appoints the Agent to act as its agent under and in connection with the Finance Documents.
- (B) Each other Finance Party authorises the Agent to perform the duties, obligations and responsibilities and to exercise the rights, powers, authorities and discretions specifically given to the Agent under or in connection with the Finance Documents together with any other incidental rights, powers, authorities and discretions.

25.2. **Duties of the Agent**

- (A) The Agent's duties under the Finance Documents are solely mechanical and administrative in nature.
- (B) Subject to paragraph (C) below, the Agent shall promptly forward to a Party the original or a copy of any document which is delivered to the Agent for that Party by any other Party.
- (C) Without prejudice to clause 23.7 (*Copy of Transfer Certificate, Assignment Agreement or Increase Confirmation to Company*), paragraph (B) above shall not apply to any Transfer Certificate, Assignment Agreement or Increase Confirmation.
- (D) Except where a Finance Document specifically provides otherwise, the Agent is not obliged to review or check the adequacy, accuracy or completeness of any document it forwards to another Party.
- (E) If the Agent receives notice from a Party referring to this Agreement, describing a Default and stating that the circumstance described is a Default, it shall promptly notify the Finance Parties.
- (F) If the Agent is aware of the non-payment of any principal, interest, commitment fee or other fee payable to a Finance Party (other than the Agent, the Bookrunners or the Mandated Lead Arrangers) under this Agreement it shall promptly notify the other Finance Parties.
- (G) The Agent shall have only those duties, obligations and responsibilities expressly specified in the Finance Documents to which it is expressed to be a party (and no others shall be implied).

25.3. **Role of the Bookrunners and the Mandated Lead Arrangers**

Except as specifically provided in the Finance Documents, none of the Bookrunners or the Mandated Lead Arrangers have any obligations of any kind to any other Party under or in connection with any Finance Document.

25.4. No fiduciary duties

- (A) Nothing in this Agreement constitutes the Agent, any Bookrunner or any Mandated Lead Arranger as a trustee or fiduciary of any other person.
- (B) None of the Agent, any Bookrunner or any Mandated Lead Arranger shall be bound to account to any Lender for any sum or the profit element of any sum received by it for its own account.

25.5. Business with the Group

The Agent, the Bookrunner and the Mandated Lead Arrangers may accept deposits from, lend money to and generally engage in any kind of banking or other business with any member of the Group.

25.6. Rights and discretions of the Agent

- (A) The Agent may:
 - (1) rely on any representation, communication, notice or document believed by it to be genuine, correct and appropriately authorised;
 - (2) assume that:
 - (a) any instructions received by it from all Lenders, the Majority Lenders, any Lenders or any group of Lenders are duly given in accordance with the terms of the Finance Documents; and
 - (b) unless it has received notice of revocation, that those instructions have not been revoked; and
 - (3) rely on a certificate from any person:
 - (a) as to any matter of fact or circumstance which might reasonably be expected to be within the knowledge of that person; or
 - (b) to the effect that such person approves of any particular dealing, transaction, step, action or thing, as sufficient evidence that that is the case and, in the case of paragraph (a) above, may assume the truth and accuracy of that certificate.
- (B) The Agent may assume (unless it has received notice to the contrary in its capacity as agent for the Lenders) that:

- (1) no Default has occurred (unless it has actual knowledge of a Default arising under clause 22.1 (Non-payment)); and
 - (2) any right, power, authority or discretion vested in any Party or the Lenders has not been exercised;
- (C) The Agent may engage, pay for and rely on the advice or services of any lawyers, accountants, tax advisers, surveyors or other professional advisers or experts.
- (D) Without prejudice to the generality of paragraph (C) above or paragraph (E) below, the Agent may at any time engage and pay for the services of any lawyers to act as independent counsel to the Agent (and so separate from any lawyers instructed by the Lenders) if the Agent in its reasonable opinion deems this to be desirable.
- (E) The Agent may rely on the advice or services of any lawyers, accountants, tax advisers, surveyors or other professional advisers or experts (whether obtained by the Agent or by any other Party) and shall not be liable for any damages, costs or losses to any person, any diminution in value or any liability whatsoever arising as a result of its so relying.
- (F) The Agent may act in relation to the Finance Documents through its officers, employees and agents and the Agent shall not:
- (1) be liable for any error of judgment made by any such person; or
 - (2) be bound to supervise, or be in any way responsible for, any loss incurred by reason of misconduct, omission or default on the part, of any such person,

unless such error or such loss was directly caused by the Agent's gross negligence or wilful misconduct.

- (G) Unless a Finance Document expressly provides otherwise the Agent may disclose to any other Party any information it reasonably believes it has received as agent under this Agreement.
- (H) Without prejudice to the generality of paragraph (G) above, the Agent:
- (1) may disclose; and
 - (2) on the written request of the Company or the Majority Lenders shall, as soon as reasonably practicable, disclose,

the identity of a Defaulting Lender to the Company and to the other Finance Parties.

- (I) Notwithstanding any other provision of any Finance Document to the contrary, none of the Agent, the Bookrunners or the Mandated Lead Arrangers is obliged to do or omit to do anything if it would, or might in its reasonable opinion, constitute a breach of any law or regulation or a breach of a fiduciary duty or duty of confidentiality.
- (J) The Agent is not obliged to disclose to any Finance Party any details of the rate notified to the Agent by any Lender or the identity of any such Lender for the purpose of paragraph (A)(2) of clause 11.2 (*Market disruption*).
- (K) Notwithstanding any provision of any Finance Document to the contrary, the Agent is not obliged to expend or risk its own funds or otherwise incur any financial liability in the performance of its duties, obligations or responsibilities or the exercise of any right, power, authority or discretion if it has grounds for believing the repayment of such funds or adequate indemnity against, or security for, such risk or liability is not reasonably assured to it

25.7. Majority Lenders' instructions

- (A) The Agent shall:
 - (1) unless a contrary indication appears in a Finance Document, exercise or refrain from exercising any right, power, authority or discretion vested in it as Agent in accordance with any instructions given to it by:
 - (a) all Lenders if the relevant Finance Document stipulates the matter is an all Lender decision; and
 - (b) in all other cases, the Majority Lenders; and
 - (2) not be liable for any act (or omission) if it acts (or refrains from acting) in accordance with paragraph (1) above.
- (B) The Agent shall be entitled to request instructions, or clarification of any instruction, from the Majority Lenders (or, if the relevant Finance Document stipulates the matter is a decision for any other Lender or group of Lenders, from that Lender or group of Lenders) as to whether, and in what manner, it should exercise or refrain from exercising any right, power, authority or discretion and the Agent may refrain from acting unless and until it receives any such instructions or clarification that it has requested.
- (C) Save in the case of decisions stipulated to be a matter for any other Lender or group of Lenders under the relevant Finance Document and unless a contrary indication appears in a Finance Document, any instructions given to the Agent by the Majority Lenders shall override any conflicting instructions given by any other Parties and will be binding on all Finance Parties.

- (D) The Agent may refrain from acting in accordance with any instructions of any Lender or group of Lenders until it has received any indemnification and/or security that it may in its discretion require (which may be greater in extent than that contained in the Finance Documents and which may include payment in advance) for any cost, loss or liability which it may incur in complying with those instructions.
- (E) In the absence of instructions, the Agent may act (or refrain from acting) as it considers to be in the best interest of the Lenders.
- (F) The Agent is not authorised to act on behalf of a Lender (without first obtaining that Lender's consent) in any legal or arbitration proceedings relating to any Finance Document.

25.8. Responsibility for documentation

None of the Agent, the Bookrunners or the Mandated Lead Arrangers are responsible or liable for:

- (A) the adequacy, accuracy and/or completeness of any information (whether oral or written) supplied by the Agent, a Bookrunner, a Mandated Lead Arranger, the Company or any other person given in or in connection with any Finance Document or the transactions contemplated in the Finance Documents or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document; or
- (B) the legality, validity, effectiveness, adequacy or enforceability of any Finance Document or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document.

25.9. No duty to monitor

The Agent shall not be bound to enquire:

- (A) whether or not any Default has occurred;
- (B) as to the performance, default or any breach by any Party of its obligations under any Finance Document; or
- (C) whether any other event specified in any Finance Document has occurred.

25.10. Exclusion of liability

- (A) Without limiting paragraph (B) below (and without prejudice to any other provision of any Finance Document excluding or limiting the liability of the Agent, the Agent, shall not be liable (including, without limitation, for negligence or any other category of liability whatsoever) for:

- (1) any damages, costs or losses to any person, any diminution in value, or any liability whatsoever arising as a result of taking or not taking any action under or in connection with any Finance Document, unless directly caused by its gross negligence or wilful misconduct;
 - (2) exercising, or not exercising, any right, power, authority or discretion given to it by, or in connection with, any Finance Document or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with, any Finance Document; or
 - (3) without prejudice to the generality of paragraphs (1) and (2) above, any damages, costs or losses to any person, any diminution in value or any liability whatsoever arising as a result of:
 - (a) any act, event or circumstance not reasonably within its control; or
 - (b) the general risks of investment in, or the holding of assets in, any jurisdiction,
including (in each case and without limitation) such damages, costs, losses, diminution in value or liability arising as a result of: nationalisation, expropriation or other governmental actions; any regulation, currency restriction, devaluation or fluctuation; market conditions affecting the execution or settlement of transactions or the value of assets (including any Disruption Event); breakdown, failure or malfunction of any third party transport, telecommunications, computer services or systems; natural disasters or acts of God; war, terrorism, insurrection or revolution; or strikes or industrial action.
- (B) No Party (other than the Agent) may take any proceedings against any officer, employee or agent of the Agent in respect of any claim it might have against the Agent or in respect of any act or omission of any kind by that officer, employee or agent in relation to any Finance Document and any officer, employee or agent of the Agent may rely on this clause subject to clause 1.2(E) (*Construction*) and the provisions of the Contracts (Rights of Third Parties) Act 1999.
- (C) The Agent will not be liable for any delay (or any related consequences) in crediting an account with an amount required under the Finance Documents to be paid by the Agent if the Agent has taken all necessary steps as soon as reasonably practicable to comply with the regulations or operating procedures of any recognised clearing or settlement system used by the Agent for that purpose.
- (D) Nothing in this Agreement shall oblige the Agent, any Bookrunner or any Mandated Lead Arranger to carry out:
- (1) any “know your customer” or other checks in relation to any person; or

- (2) any check on the extent to which any transaction contemplated by this Agreement might be unlawful for any Lender,

on behalf of any Lender and each Lender confirms to the Agent, the Bookrunners and the Mandated Lead Arrangers that it is solely responsible for any such checks it is required to carry out and that it may not rely on any statement in relation to such checks made by the Agent, the Bookrunners or the Mandated Lead Arrangers.

- (E) Without prejudice to any provision of any Finance Document excluding or limiting the Agent's liability, any liability of the Agent arising under or in connection with any Finance Document shall be limited to the amount of actual loss which has been finally judicially determined to have been suffered (as determined by reference to the date of default of the Agent or, if later, the date on which the loss arises as a result of such default) but without reference to any special conditions or circumstances known to the Agent at any time which increase the amount of that loss. In no event shall the Agent be liable for any loss of profits, goodwill, reputation, business opportunity or anticipated saving, or for special, punitive, indirect or consequential damages, whether or not the Agent has been advised of the possibility of such loss or damages.

25.11. Lenders' indemnity to the Agent

- (A) Each Lender shall (in proportion to its share of the Total Commitments or, if the Total Commitments are then zero, to its share of the Total Commitments immediately prior to their reduction to zero) indemnify the Agent, within three Business Days of demand, against any cost, loss or liability (including, without limitation, for negligence or any other category of liability whatsoever) incurred by the Agent (otherwise than by reason of the Agent's gross negligence or wilful misconduct) (or in the case of any costs, loss or liability pursuant to clause 28.11 (*Disruption to payment systems etc*) notwithstanding the Agent's negligence, gross negligence or any other category of liability whatsoever but not including any claim based on the fraud of the Agent) in acting as Agent under the Finance Documents (unless the Agent has been reimbursed by the Company pursuant to a Finance Document).
- (B) Subject to paragraph (C) below, the Company shall immediately on demand reimburse any Lender for any payment that Lender makes to the Agent pursuant to paragraph (A) above.
- (C) Paragraph (B) above shall not apply to the extent that the indemnity payment in respect of which the Lender claims reimbursement relates to a liability of the Agent to the Company.

25.12. Resignation of the Agent

- (A) The Agent may resign and appoint one of its Affiliates as successor by giving notice to the other Finance Parties and the Company.

- (B) Alternatively the Agent may resign by giving 30 days' notice to the other Finance Parties and the Company, in which case the Majority Lenders (after consultation with the Company) may appoint a successor Agent.
- (C) If the Majority Lenders have not appointed a successor Agent in accordance with paragraph (B) above within 20 days after notice of resignation was given, the retiring Agent (after consultation with the Company) may appoint a successor Agent.
- (D) If the Agent wishes to resign because (acting reasonably) it has concluded that it is no longer appropriate for it to remain as agent and the Agent is entitled to appoint a successor Agent under paragraph (C) above, the Agent may (if it concludes (acting reasonably) that it is necessary to do so in order to persuade the proposed successor Agent to become a party to this Agreement as Agent) agree with the proposed successor Agent amendments to this clause 25 and any other term of this Agreement dealing with the rights or obligations of the Agent consistent with then current market practice for the appointment and protection of corporate trustees together with any reasonable amendments to the agency fee payable under this Agreement which are consistent with the successor Agent's normal fee rates and those amendments will bind the Parties.
- (E) The retiring Agent shall, at its own cost, make available to the successor Agent such documents and records and provide such assistance as the successor Agent may reasonably request for the purposes of performing its functions as Agent under the Finance Documents.
- (F) The Agent's resignation notice shall only take effect upon the appointment of a successor.
- (G) Upon the appointment of a successor, the retiring Agent shall be discharged from any further obligation in respect of the Finance Documents but shall remain entitled to the benefit of this clause 25.12 (and any agency fees for the account of the retiring Agent shall cease to accrue from (and shall be payable on) that date). Any successor and each of the other Parties shall have the same rights and obligations amongst themselves as they would have, had if such successor had been an original Party.
- (H) After consultation with the Company, the Majority Lenders may, by notice to the Agent, require it to resign in accordance with paragraph (B) above. In this event, the Agent shall resign in accordance with paragraph (B) above.
- (I) The Agent shall resign in accordance with paragraph (B) above (and, to the extent applicable, shall use reasonable endeavours to appoint a successor Agent pursuant to paragraph (C) above) if on or after the date which is three months before the earliest FATCA Application Date relating to any payment to the Agent under the Finance Documents, either:

- (1) the Agent fails to respond to a request under clause 13.7 (*FATCA Information*) and a Lender reasonably believes that the Agent will not be (or will have ceased to be) a FATCA Exempt Party on or after that FATCA Application Date;
- (2) the information supplied by the Agent pursuant to clause 13.7 (*FATCA Information*) indicates that the Agent will not be (or will have ceased to be) a FATCA Exempt Party on or after that FATCA Application Date; or
- (3) the Agent notifies the Company and the Lenders that the Agent will not be (or will have ceased to be) a FATCA Exempt Party on or after that FATCA Application Date;

and (in each case) a Lender reasonably believes that a Party will be required to make a FATCA Deduction that would not be required if the Agent were a FATCA Exempt Party, and that Lender, by notice to the Agent requires it to resign.

25.13. Replacement of the Agent

- (A) After consultation with the Company, the Majority Lenders may, by giving 30 days' notice to the Agent (or, at any time the Agent is an Impaired Agent, by giving any shorter notice determined by the Majority Lenders) replace the Agent by appointing a successor Agent.
- (B) The retiring Agent shall (at its own cost if it is an Impaired Agent and otherwise at the expense of the Lenders) make available to the successor Agent such documents and records and provide such assistance as the successor Agent may reasonably request for the purposes of performing its functions as Agent under the Finance Documents.
- (C) The appointment of the successor Agent shall take effect on the date specified in the notice from the Majority Lenders to the retiring Agent. As from this date, the retiring Agent shall be discharged from any further obligation in respect of the Finance Documents but shall remain entitled to the benefit of this clause 25 (and any agency fees for the account of the retiring Agent shall cease to accrue from (and shall be payable on) that date).
- (D) Any successor Agent and each of the other Parties shall have the same rights and obligations amongst themselves as they would have had if such successor had been an original Party.

25.14. Confidentiality

- (A) In acting as agent for the Finance Parties, the Agent shall be regarded as acting through its agency division which shall be treated as a separate entity from any other of its divisions or departments.

- (B) If information is received by another division or department of the Agent, it may be treated as confidential to that division or department and the Agent shall not be deemed to have notice of it.

25.15. Relationship with the Lenders

- (A) Subject to clause 23.9 (*Pro rata interest settlement*) the Agent may treat the person shown in its records as Lender at the opening of business (in the place of the Agent's principal office as notified to the Finance Parties from time to time) as the Lender acting through its Facility Office:

- (1) entitled to or liable for any payment due under any Finance Document on that day; and
- (2) entitled to receive and act upon any notice, request, document or communication or make any decision or determination under any Finance Document made or delivered on that day,

unless it has received not less than five Business Days' prior notice from that Lender to the contrary in accordance with the terms of this Agreement.

- (B) Any Lender may by notice to the Agent appoint a person to receive on its behalf all notices, communications, information and documents to be made or despatched to that Lender under the Finance Documents. Such notice shall contain the address, email address, fax number and/or any other information required to enable the sending and receipt of information by that means (and, in each case, the department or officer, if any, for whose attention communication is to be made) and be treated as a notification of a substitute address, email address, fax number, department and officer by that Lender for the purposes of clause 30.3 (*Addresses*) and the Agent shall be entitled to treat such person as the person entitled to receive all such notices, communications, information and documents as though that person were that Lender.

25.16. Credit appraisal by the Lenders

Without affecting the responsibility of the Company for information supplied by it or on its behalf in connection with any Finance Document, each Lender confirms to the Agent, the Bookrunners and the Mandated Lead Arrangers that it has been, and will continue to be, solely responsible for making its own independent appraisal and investigation of all risks arising under or in connection with any Finance Document including but not limited to:

- (A) the financial condition, status and nature of each member of the Group;
- (B) the legality, validity, effectiveness, adequacy or enforceability of any Finance Document and any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document;

- (C) whether that Lender has recourse, and the nature and extent of that recourse, against any Party or any of its respective assets under or in connection with any Finance Document, the transactions contemplated by the Finance Documents or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document; and
- (D) the adequacy, accuracy, and/or completeness of the Information Package and any other information provided by the Agent, any Party or by any other person under or in connection with any Finance Document, the transactions contemplated by the Finance Documents or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document.

25.17. Reference Banks

If a Reference Bank (or, if a Reference Bank is not a Lender, the Lender of which it is an Affiliate) ceases to be a Lender, the Agent shall (in consultation with the Company) appoint another Lender or an Affiliate of a Lender to replace that Reference Bank.

25.18. Agent's management time

Any amount payable to the Agent under clause 15.3 (*Indemnity to the Agent*), clause 17 (*Costs and expenses*) and clause 25.11 (*Lenders' indemnity to the Agent*) shall include the cost of utilising the Agent's management time or other resources and will be calculated on the basis of such reasonable daily or hourly rates as the Agent may notify to the Company and the Lenders, and is in addition to any fee paid or payable to the Agent under clause 12 (*Fees*).

25.19. Deduction from amounts payable by the Agent

If any Party owes an amount to the Agent under the Finance Documents the Agent may, after giving notice to that Party, deduct an amount not exceeding that amount from any payment to that Party which the Agent would otherwise be obliged to make under the Finance Documents and apply the amount deducted in or towards satisfaction of the amount owed. For the purposes of the Finance Documents that Party shall be regarded as having received any amount so deducted.

25.20. Reliance and engagement letters

Each Finance Party confirms that each of the Bookrunners, the Mandated Lead Arrangers and the Agent has authority to accept on its behalf (and ratifies the acceptance on its behalf of any letters or reports already accepted by the Bookrunners, Mandated Lead Arrangers or the Agent) the terms of any reports or letters provided by accountants in connection with the Finance Documents or the transactions contemplated in the Finance Documents and to bind it in respect of those reports or letters and to sign such letters on its behalf and further confirms that it accepts the terms and qualifications set out in such letters.

26. **Conduct of business by the Finance Parties**

No provision of this Agreement will:

- (A) interfere with the right of any Finance Party to arrange its affairs (tax or otherwise) in whatever manner it thinks fit;
- (B) oblige any Finance Party to investigate or claim any credit, relief, remission or repayment available to it or the extent, order and manner of any claim; or
- (C) oblige any Finance Party to disclose any information relating to its affairs (tax or otherwise) or any computations in respect of Tax.

27. **Sharing among the Finance Parties**

27.1. **Payments to Finance Parties**

If a Finance Party (a “Recovering Finance Party”) receives or recovers any amount from the Company other than in accordance with clause 28 (*Payment Mechanics*) and applies that amount to a payment due under the Finance Documents then:

- (A) the Recovering Finance Party shall, within three Business Days, notify details of the receipt or recovery to the Agent;
- (B) the Agent shall determine whether the receipt or recovery is in excess of the amount the Recovering Finance Party would have been paid had the receipt or recovery been received or made by the Agent and distributed in accordance with clause 28 (*Payment Mechanics*), without taking account of any Tax which would be imposed on the Agent in relation to the receipt, recovery or distribution; and
- (C) the Recovering Finance Party shall, within three Business Days of demand by the Agent, pay to the Agent an amount (the “Sharing Payment”) equal to such receipt or recovery less any amount which the Agent determines may be retained by the Recovering Finance Party as its share of any payment to be made, in accordance with clause 28.6 (*Partial payments*).

27.2. **Redistribution of payments**

The Agent shall treat the Sharing Payment as if it had been paid by the Company and distribute it between the Finance Parties (other than the Recovering Finance Party) in accordance with clause 28.6 (*Partial payments*).

27.3. **Recovering Finance Party’s rights**

- (A) On a distribution by the Agent under clause 27.2 (*Redistribution of payments*), the Recovering Finance Party will be subrogated to the rights of the Finance Parties which have shared in the redistribution.

- (B) If and to the extent that the Recovering Finance Party is not able to rely on its rights under paragraph (A) above, the Company shall be liable to the Recovering Finance Party for a debt equal to the Sharing Payment which is immediately due and payable.

27.4. **Reversal of redistribution**

If any part of the Sharing Payment received or recovered by a Recovering Finance Party becomes repayable and is repaid by that Recovering Finance Party, then:

- (A) each Finance Party which has received a share of the relevant Sharing Payment pursuant to clause 27.2 (*Redistribution of payments*) shall, upon request of the Agent, pay to the Agent for account of that Recovering Finance Party an amount equal to the appropriate part of its share of the Sharing Payment (together with an amount as is necessary to reimburse that Recovering Finance Party for its proportion of any interest on the Sharing Payment which that Recovering Finance Party is required to pay); and
- (B) that Recovering Finance Party's rights of subrogation in respect of any reimbursement shall be cancelled and the Company will be liable to the reimbursing Finance Party for the amount so reimbursed.

27.5. **Exceptions**

- (A) This clause 27 shall not apply to the extent that the Recovering Finance Party would not, after making any payment pursuant to this clause, have a valid and enforceable claim against the Company.
- (B) A Recovering Finance Party is not obliged to share with any other Finance Party any amount which the Recovering Finance Party has received or recovered as a result of taking legal or arbitration proceedings, if:
 - (1) it notified that other Finance Party of the legal or arbitration proceedings; and
 - (2) that other Finance Party had an opportunity to participate in those legal or arbitration proceedings but did not do so as soon as reasonably practicable having received notice and did not take separate legal or arbitration proceedings.

PART 10: ADMINISTRATION

28. **Payment mechanics**

28.1. **Payments to the Agent**

- (A) On each date on which the Company or a Lender is required to make a payment under a Finance Document, the Company or Lender shall make the same available to the Agent (unless a contrary indication appears in a Finance Document) for value on the due date at the time and in such funds specified by the Agent as being customary at the time for settlement of transactions in the relevant currency in the place of payment.
- (B) Payment shall be made to such account in the principal financial centre of the country of that currency (or, in relation to Euro, in a principal financial centre in a Participating Member State or London) with such bank as the Agent specifies.

28.2. **Distributions by the Agent**

Each payment received by the Agent under the Finance Documents for another Party shall, subject to clause 28.3 (*Distributions the Company*) and clause 28.4 (*Clawback*) be made available by the Agent as soon as practicable after receipt to the Party entitled to receive payment in accordance with this Agreement (in the case of a Lender, for the account of its Facility Office), to such account as that Party may notify to the Agent by not less than five Business Days' notice with a bank in the principal financial centre of the country of that currency (or, in relation to euro, in the principal financial centre of a Participating Member State or London).

28.3. **Distributions to the Company**

The Agent may (with the consent of the Company or in accordance with clause 29 (Set-Off)) apply any amount received by it for the Company in or towards payment (on the date and in the currency and funds of receipt) of any amount due from the Company under the Finance Documents or in or towards purchase of any amount of any currency to be so applied.

28.4. **Clawback**

- (A) Where a sum is to be paid to the Agent under the Finance Documents for another Party, the Agent is not obliged to pay that sum to that other Party (or to enter into or perform any related exchange contract) until it has been able to establish to its satisfaction that it has actually received that sum.
- (B) If the Agent pays an amount to another Party and it proves to be the case that the Agent had not actually received that amount, then the Party to whom that amount (or the proceeds of any related exchange contract) was paid by the Agent shall on demand refund the same to the Agent together with interest on that amount from the

date of payment to the date of receipt by the Agent, calculated by the Agent to reflect its cost of funds.

28.5. **Impaired Agent**

- (A) If, at any time, the Agent becomes an Impaired Agent, the Company or a Lender which is required to make a payment under the Finance Documents to the Agent in accordance with clause 28.1 (*Payments to the Agent*) may instead either pay that amount direct to the required recipient or pay that amount to an interest-bearing account held with an Acceptable Bank and in relation to which no Insolvency Event has occurred and is continuing, in the name of the Company or the Lender making the payment and designated as a trust account for the benefit of the Party or Parties beneficially entitled to that payment under the Finance Documents. In each case such payments must be made on the due date for payment under the Finance Documents.
- (B) All interest accrued on the amount standing to the credit of the trust account shall be for the benefit of the beneficiaries of that trust account pro rata to their respective entitlements.
- (C) A Party which has made a payment in accordance with this clause 28.5 shall be discharged of the relevant payment obligation under the Finance Documents and shall not take any credit risk with respect to the amounts standing to the credit of the trust account.
- (D) Promptly upon the appointment of a successor Agent in accordance with clause 25.13 (*Replacement of the Agent*), each Party which has made a payment to a trust account in accordance with this clause 28.5 shall give all requisite instructions to the bank with whom the trust account is held to transfer the amount (together with any accrued interest) to the successor Agent for distribution in accordance with clause 28.2 (*Distributions by the Agent*).

28.6. **Partial payments**

- (A) If the Agent receives a payment that is insufficient to discharge all the amounts then due and payable by the Company under the Finance Documents, the Agent shall apply that payment towards the obligations of the Company under the Finance Documents in the following order:
 - (1) first, in or towards payment pro rata of any unpaid fees, costs and expenses of the Agent under the Finance Documents;
 - (2) secondly, in or towards payment pro rata of any accrued interest, fee or commission due but unpaid under this Agreement;
 - (3) thirdly, in or towards payment pro rata of any principal due but unpaid under this Agreement; and

(4) fourthly, in or towards payment pro rata of any other sum due but unpaid under the Finance Documents.

(B) The Agent shall, if so directed by the Lenders, vary the order set out in paragraphs (A)(2) to (4) above.

(C) Paragraphs (A) and (B) above will override any appropriation made by the Company.

28.7. No set-off by the Company

All payments to be made by the Company under the Finance Documents shall be calculated and be made without (and free and clear of any deduction for) set-off or counterclaim.

28.8. Business Days

(A) Any payment which is due to be made on a day that is not a Business Day shall be made on the next Business Day in the same calendar month (if there is one) or the preceding Business Day (if there is not).

(B) During any extension of the due date for payment of any principal or Unpaid Sum under this Agreement interest is payable on the principal or Unpaid Sum at the rate payable on the original due date.

28.9. Currency of account

(A) Subject to paragraphs (B) to (E) below, the Base Currency is the currency of account and payment for any sum due from the Company under any Finance Document.

(B) A repayment of a Loan or Unpaid Sum or a part of a Loan or Unpaid Sum shall be made in the currency in which that Loan or Unpaid Sum is denominated on its due date.

(C) Each payment of interest shall be made in the currency in which the sum in respect of which the interest is payable was denominated when that interest accrued.

(D) Each payment in respect of costs, expenses or Taxes shall be made in the currency in which the costs, expenses or Taxes are incurred.

(E) Any amount expressed to be payable in a currency other than the Base Currency shall be paid in that other currency.

28.10. Change of currency

- (A) Unless otherwise prohibited by law, if more than one currency or currency unit are at the same time recognised by the central bank of any country as the lawful currency of that country, then:
- (1) any reference in the Finance Documents to, and any obligations arising under the Finance Documents in, the currency of that country shall be translated into, or paid in, the currency or currency unit of that country designated by the Agent (acting reasonably and after consultation with the Company); and
 - (2) any translation from one currency or currency unit to another shall be at the official rate of exchange recognised by the central bank for the conversion of that currency or currency unit into the other, rounded up or down by the Agent (acting reasonably and after consultation with the Company).
- (B) If a change in any currency of a country occurs, this Agreement will, to the extent the Agent (acting reasonably and after consultation with the Company) specifies to be necessary, be amended to comply with any generally accepted conventions and market practice in the Relevant Interbank Market and otherwise to reflect the change in currency.

28.11. **Disruption to Payment Systems etc.**

If either the Agent determines (in its discretion) that a Disruption Event has occurred or the Agent is notified by the Company that a Disruption Event has occurred:

- (A) the Agent may, and shall if requested to do so by the Company, consult with the Company with a view to agreeing with the Company such changes to the operation or administration of the Facilities as the Agent may deem necessary in the circumstances;
- (B) the Agent shall not be obliged to consult with the Company in relation to any changes mentioned in paragraph (A) if, in its opinion, it is not practicable to do so in the circumstances and, in any event, shall have no obligation to agree to such changes;
- (C) the Agent may consult with the Finance Parties in relation to any changes mentioned in paragraph (A) but shall not be obliged to do so if, in its opinion, it is not practicable to do so in the circumstances;
- (D) any such changes agreed upon by the Agent and the Company shall (whether or not it is finally determined that a Disruption Event has occurred) be binding upon the Parties as an amendment to (or, as the case may be, waiver of) the terms of the Finance Documents notwithstanding the provisions of clause 34 (*Amendments and Waivers*);

(E) the Agent shall not be liable for any damages, costs or losses whatsoever (including, without limitation for negligence, gross negligence or any other category of liability whatsoever but not including any claim based on the fraud of the Agent) arising as a result of its taking, or failing to take, any actions pursuant to or in connection with this clause 28.11; and

(F) the Agent shall notify the Finance Parties of all changes agreed pursuant to paragraph (D) above.

29. **Set-off**

A Finance Party may set off any matured obligation due from the Company under the Finance Documents (to the extent beneficially owned by that Finance Party) against any matured obligation owed by that Finance Party to the Company, regardless of the place of payment, booking branch or currency of either obligation. If the obligations are in different currencies, the Finance Party may convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set-off. Such Finance Party shall promptly notify the Company of such set-off or conversion.

30. **Notices**

30.1. **Communications in writing**

Any communication to be made under or in connection with the Finance Documents shall be made in writing and, unless otherwise stated, may be made by email, fax or letter.

30.2. **Addresses**

The address, email address and fax number (and the department or officer, if any, for whose attention the communication is to be made) of each Party for any communication or document to be made or delivered under or in connection with the Finance Documents is:

- (A) in the case of the Company, that identified with its name below;
- (B) in the case of each Lender that notified in writing to the Agent on or prior to the date on which it becomes a Party;
and
- (C) in the case of the Agent, that identified with its name below,

or any substitute address, email address or fax number or department or officer as the Party may notify to the Agent (or the Agent may notify to the other Parties, if a change is made by the Agent) by not less than five Business Days' notice.

30.3. **Addresses**

- (A) The contact details of the Company for this purpose are:

Address: Pipers vag 2
SE-170 09 SOLNA
Sweden

Email: henrik.stenqvist@meda.se

Fax number: +46 8 630 19 19

Attention: Henrik Stenqvist

(B) The contact details of the Agent for this purpose are:

For credit purposes:

Address: Danske Bank — Corporate & Institutions
Loan Agency
2-12 Holmens Kanal
DK-1092 Copenhagen K.
Denmark

E-mail: loanagency@danskebank.com

Fax number: +45 45 12 87 22

Attention: Christian Roed Christensen For administration purposes:

Address: Holmens Kanal 2-12 DK-1092 Copenhagen K. Denmark

E-mail: r3925svn@danskebank.dk

Fax number: +45 4514 9978/+45 4514 9979

30.4. Delivery

- (A) Any communication or document made or delivered by one person to another under or in connection with the Finance Documents will only be effective:
- (1) if by way of email or fax, when received in legible form; or
 - (2) if by way of letter, when it has been left at the relevant address or five Business Days after being deposited in the post postage prepaid in an envelope addressed to it at that address;
- and, if a particular department or officer is specified as part of its address details provided under clause 30.2 (*Addresses*), if addressed to that department or officer.
- (B) Any communication or document to be made or delivered to the Agent will be effective only when actually received by the Agent and then only if it is expressly marked for the attention of the department or officer identified with the Agent's signature below (or any substitute department or officer as the Agent shall specify for this purpose).

- (C) All notices from or to the Company shall be sent through the Agent.
- (D) A notice given by email or fax which is dispatched after close of business at the place of receipt, or on a day which is not Business Day, will be deemed to have been given on the next Business Day.

30.5. Notification of address, email address and fax number

Promptly upon receipt of notification of an address, email address or fax number or change of address, email address or fax number pursuant to clause 30.2 (*Addresses*) or changing its own address or fax number, the Agent shall notify the other Parties.

30.6. Communication when Agent is Impaired Agent

If the Agent is an Impaired Agent the Parties may, instead of communicating with each other through the Agent, communicate with each other directly and (while the Agent is an Impaired Agent) all the provisions of the Finance Documents which require communications to be made or notices to be given to or by the Agent shall be varied so that communications may be made and notices given to or by the relevant Parties directly. This provision shall not operate after a replacement Agent has been appointed.

30.7. Use of websites

- (A) The Company may satisfy its obligation under this Agreement to deliver any information in relation to those Lenders (the "Website Lenders") who accept this method of communication by posting this information onto an electronic website designated by the Company and the Agent (the "Designated Website") if:
 - (1) the Agent expressly agrees (after consultation with each of the Lenders) that it will accept communication of the information by this method;
 - (2) both the Company and the Agent are aware of the address of and any relevant password specifications for the Designated Website; and
 - (3) the information is in a format previously agreed between the Company and the Agent.

If any Lender (a "Paper Form Lender") does not agree to the delivery of information electronically then the Agent shall notify the Company accordingly and the Company shall at its own cost supply the information to the Agent (in sufficient copies for each Paper Form Lender) in paper form. In any event the Company shall at its own cost supply the Agent with at least one copy in paper form of any information required to be provided by it.

- (B) The Agent shall supply each Website Lender with the address of and any relevant password specifications for the Designated Website following designation of that website by the Company and the Agent.
- (C) The Company shall promptly upon becoming aware of its occurrence notify the Agent if:
 - (1) the Designated Website cannot be accessed due to technical failure;
 - (2) the password specifications for the Designated Website change;
 - (3) any new information which is required to be provided under this Agreement is posted onto the Designated Website;
 - (4) any existing information which has been provided under this Agreement and posted onto the Designated Website is amended; or
 - (5) the Company becomes aware that the Designated Website or any information posted onto the Designated Website is or has been infected by any electronic virus or similar software.

If the Company notifies the Agent under paragraph (C)(1) or paragraph (C)(5) above, all information to be provided by the Company under this Agreement after the date of that notice shall be supplied in paper form unless and until the Agent and each Website Lender is satisfied that the circumstances giving rise to the notification are no longer continuing.

- (D) Any Website Lender may request, through the Agent, one paper copy of any information required to be provided under this Agreement which is posted onto the Designated Website. The Company shall at its own cost comply with any such request within ten (10) Business Days.

30.8. **Language**

- (A) Any notice given under or in connection with any Finance Document must be in English.
- (B) All other documents provided under or in connection with any Finance Document must be:
 - (1) in English; or
 - (2) if not in English, and if so required by the Agent, accompanied by a certified English translation and, in this case, the English translation will prevail unless the document is a constitutional, statutory or other official document.

31. **Calculations and certificates**

31.1. **Accounts**

In any litigation or arbitration proceedings arising out of or in connection with a Finance Document, the entries made in the accounts maintained by a Finance Party are prima facie evidence of the matters to which they relate.

31.2. **Certificates and Determinations**

Any certification or determination by a Finance Party of a rate or amount under any Finance Document shall set out the basis of calculation in reasonable detail and is, in the absence of manifest error, conclusive evidence of the matters to which it relates.

31.3. **Day count convention**

Any interest, commission or fee accruing under a Finance Document will accrue from day to day and is calculated on the basis of the actual number of days elapsed and a year of 360 days or, in any case where the practice in the Relevant Interbank Market differs, in accordance with that market practice.

32. **Partial invalidity**

If, at any time, any provision of the Finance Documents is or becomes illegal, invalid or unenforceable in any respect under any law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions nor the legality, validity or enforceability of such provision under the law of any other jurisdiction will in any way be affected or impaired.

33. **Remedies and waivers**

No failure to exercise, nor any delay in exercising, on the part of any Finance Party, any right or remedy under the Finance Documents shall operate as a waiver, nor shall any single or partial exercise of any right or remedy prevent any further or other exercise or the exercise of any other right or remedy. The rights and remedies provided in this Agreement are cumulative and not exclusive of any rights or remedies provided by law.

34. **Amendments And Waivers**

34.1. **Required consents**

- (A) Subject to clause 34.2 (*Exceptions*) any term of the Finance Documents may be amended or waived only with the consent of the Majority Lenders and the Company and any such amendment or waiver will be binding on all Parties.
- (B) The Agent may effect, on behalf of any Finance Party, any amendment or waiver permitted by this clause 34.

34.2. Exceptions

- (A) An amendment or waiver that has the effect of changing or which relates to:
- (1) the definition of Majority Lenders in clause 1.1 (*Definitions*);
 - (2) an extension to the date of payment of any amount under the Finance Documents;
 - (3) a reduction in the Applicable Margin or a reduction in the amount of any payment of principal, interest, fees or commission payable;
 - (4) an increase in or an extension of any Commitment;
 - (5) any provision which expressly requires the consent of all the Lenders;
 - (6) clause 2.3 (*Finance Parties' rights and obligations*), clause 23 (*Changes to the Lenders*) or this clause 34.
- shall not be made without the prior consent of the Lenders.
- (B) An amendment or waiver which relates to the rights or obligations of the Agent, the Bookrunners or the Mandated Lead Arrangers may not be effected without the consent of the Agent, the Bookrunners or the Mandated Lead Arrangers.

34.3. Disenfranchisement of Defaulting Lenders

- (A) For so long as a Defaulting Lender has any Available Commitment, in ascertaining the Majority Lenders or whether any given percentage (including, for the avoidance of doubt, unanimity) of the Total Commitments (or the Total Commitments under the relevant Facilities) or the agreement of any specified group of Lenders has been obtained to approve any request for a consent, waiver, amendment or other vote under the Finance Documents, that Defaulting Lender's Commitments will be reduced by the amount of its Available Commitments and, to the extent that that reduction results in that Defaulting Lender's Total Commitments being zero, that Defaulting Lender shall be deemed not to be a Lender for these purposes.
- (B) For the purposes of this clause 34.3, the Agent may assume that the following Lenders are Defaulting Lenders:
- (1) any Lender which has notified the Agent that it has become a Defaulting Lender;
 - (2) any Lender in relation to which it is aware that any of the events or circumstances referred to in paragraphs (A), (B) or (C) of the definition of "Defaulting Lender" has occurred,

- (C) unless it has received notice to the contrary from the Lender concerned (together with any supporting evidence reasonably requested by the Agent) or the Agent is otherwise aware that the Lender has ceased to be a Defaulting Lender.

34.4. Replacement of a Defaulting Lender

- (A) The Company may, at any time a Lender has become and continues to be a Defaulting Lender, by giving 5 Business Days' prior written notice to the Agent and such Lender:

- (1) replace such Lender by requiring such Lender to (and such Lender shall) transfer pursuant to clause 23 (*Changes to the Lenders*) all (and not part only) of its rights and obligations under this Agreement;
- (2) require such Lender to (and such Lender shall) transfer pursuant to clause 23 (*Changes to the Lenders*) all (and not part only) of the undrawn Facility C Commitment of the Lender; or
- (3) require such Lender to (and such Lender shall) transfer pursuant to clause 23 (*Changes to the Lenders*) all (and not part only) of its rights and obligations in respect of Facility C,

to a Lender or other bank, financial institution, trust, fund or other entity (a "Replacement Lender") selected by the Company, and which (unless the Agent is an Impaired Agent) is acceptable to the Agent (acting reasonably), which confirms its willingness to assume and does assume all the obligations or all the relevant obligations of the transferring Lender (including the assumption of the transferring Lender's participations or unfunded participations (as the case may be) on the same basis as the transferring Lender) for a purchase price in cash payable at the time of transfer equal to the outstanding principal amount of such Lender's participation in the outstanding Loans and all accrued interest and/or Break Costs and other amounts payable in relation thereto under the Finance Documents.

- (B) Any transfer of rights and obligations of a Defaulting Lender pursuant to this clause shall be subject to the following conditions:

- (1) the Company shall have no right to replace the Agent;
- (2) neither the Agent nor the Defaulting Lender shall have any obligation to the Company to find a Replacement Lender;
- (3) the transfer must take place no later than 5 Business Days after the notice referred to in paragraph (A) above; and
- (4) in no event shall the Defaulting Lender be required to pay or surrender to the Replacement Lender any of the fees received by the Defaulting Lender pursuant to the Finance Documents.

35. **Confidentiality**

35.1. **Confidential Information**

Each Finance Party agrees to keep all Confidential Information confidential and not to disclose it to anyone, save to the extent permitted by clause 35.2 (*Disclosure of Confidential Information*), and to ensure that all Confidential Information is protected with security measures and a degree of care that would apply to its own confidential information.

35.2. **Disclosure of Confidential Information**

Any Finance Party may disclose:

- (A) to any of its Affiliates and Related Funds and any of its or their officers, directors, employees, professional advisers, auditors, partners and Representatives such Confidential Information as that Finance Party shall consider appropriate if any person to whom the Confidential Information is to be given pursuant to this paragraph (A) is informed in writing of its confidential nature and that some or all of such Confidential Information may be price-sensitive information except that there shall be no such requirement to so inform if the recipient is subject to professional obligations to maintain the confidentiality of the information or is otherwise bound by requirements of confidentiality in relation to the Confidential Information;
- (B) to any person:
 - (1) to (or through) whom it assigns or transfers (or may potentially assign or transfer) all or any of its rights and/or obligations under one or more Finance Documents and to any of that person's Affiliates, Related Funds, Representatives and professional advisers;
 - (2) with (or through) whom it enters into (or may potentially enter into), whether directly or indirectly, any sub-participation in relation to, or any other transaction under which payments are to be made or may be made by reference to, one or more Finance Documents and/or the Company and to any of that person's Affiliates, Related Funds, Representatives and professional advisers;
 - (3) appointed by any Finance Party or by a person to whom paragraph (B)(1) or (2) above applies to receive communications, notices, information or documents delivered pursuant to the Finance Documents on its behalf (including, without limitation, any person appointed under paragraph (C) of clause 25.15 (*Relationship with the Lenders*));
 - (4) who invests in or otherwise finances (or may potentially invest in or otherwise finance), directly or indirectly, any transaction referred to in paragraph (B)(1) or (B)(2) above;

- (5) to whom information is required or requested to be disclosed by any court of competent jurisdiction or any governmental, banking, taxation or other regulatory authority or similar body, the rules of any relevant stock exchange or pursuant to any applicable law or regulation;
- (6) to whom or for whose benefit that Finance Party charges, assigns or otherwise creates Security (or may do so) pursuant to clause 23.8 (*Security over Lenders' rights*);
- (7) to whom information is required to be disclosed in connection with, and for the purposes of, any litigation, arbitration, administrative or other investigations, proceedings or disputes;
- (8) who is a Party; or
- (9) with the consent of the Company;

in each case, such Confidential Information as that Finance Party shall consider appropriate if:

- (a) in relation to paragraphs (B)(1), (B)(2) and B(3) above, the person to whom the Confidential information is to be given has entered into a Confidentiality Undertaking except that there shall be no requirement for a Confidentiality Undertaking if the recipient is a professional adviser and is subject to professional obligations to maintain the confidentiality of the Confidential Information;
 - (b) in relation to paragraph (B)(4) above, the person to whom the Confidential Information is to be given has entered into a Confidentiality Undertaking or is otherwise bound by requirements of confidentiality in relation to the Confidential Information they receive and is informed that some or all of such Confidential Information may be price-sensitive information;
 - (c) in relation to paragraphs (B)(5), (B)(6) and (B)(7) above, the person to whom the Confidential Information is to be given is informed of its confidential nature and that some or all of such Confidential Information may be price-sensitive information except that there shall be no requirement to so inform if, in the opinion of that Finance Party, it is not practicable so to do in the circumstances;
- (C) to any person appointed by that Finance Party or by a person to whom paragraph (B)(1) or (B)(2) above applies to provide administration or settlement services in respect of one or more of the Finance Documents including without limitation, in relation to the trading of participations in respect of the Finance Documents, such Confidential Information as may be required to be disclosed to enable such service provider to provide any of the services referred to in this paragraph (C) if the service

provider to whom the Confidential Information is to be given has entered into a confidentiality agreement substantially in the form of the LMA Master Confidentiality Undertaking for Use With Administration/Settlement Service Providers or such other form of confidentiality undertaking agreed between the Company and the relevant Finance Party;

- (D) to any rating agency (including its professional advisers) such Confidential Information as may be required to be disclosed to enable such rating agency to carry out its normal rating activities in relation to the Finance Documents and/or the Company.

35.3. **Entire agreement**

This clause 35 (*Confidentiality*) constitutes the entire agreement between the Parties in relation to the obligations of the Finance Parties under the Finance Documents regarding Confidential Information and supersedes any previous agreement, whether express or implied, regarding Confidential Information.

35.4. **Inside information**

Each of the Finance Parties acknowledges that some or all of the Confidential Information is or may be price-sensitive information and that the use of such information may be regulated or prohibited by applicable legislation including securities law relating to insider dealing and market abuse and each of the Finance Parties undertakes not to use any Confidential Information for any unlawful purpose.

35.5. **Notification of disclosure**

Each of the Finance Parties agrees (to the extent permitted by law and regulation) to inform the Company:

- (A) of the circumstances of any disclosure of Confidential Information made pursuant to paragraph (B)(5) of 35.2 (*Disclosure of Confidential Information*) except where such disclosure is made to any of the persons referred to in that paragraph during the ordinary course of its supervisory or regulatory function; and
- (B) upon becoming aware that Confidential Information has been disclosed in breach of this clause 25.14 (*Confidentiality*).

35.6. **Continuing obligations**

The obligations in this clause 25.14 (*Confidentiality*) are continuing and, in particular, shall survive and remain binding on each Finance Party for a period of twelve months from the earlier of:

- (A) the date on which all amounts payable by the Company under or in connection with this Agreement have been paid in full and all Commitments have been cancelled or otherwise cease to be available; and

(B) the date on which such Finance Party otherwise ceases to be a Finance Party.

36. **Counterparts**

Each Finance Document may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts were on a single copy of the Finance Document.

PART 11: GOVERNING LAW AND ENFORCEMENT

37. **Governing law**

This Agreement and any non-contractual obligations arising out of or in connection with it shall be governed by and construed in accordance with English law.

38. **Enforcement**

38.1. **Jurisdiction**

- (A) The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this Agreement (including a dispute regarding the existence, validity or termination of this Agreement or any non-contractual obligation arising out of or in connection with this Agreement) (a “Dispute”).
- (B) The Parties agree that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly no Party will argue to the contrary.
- (C) This clause 38.1 is for the benefit of the Finance Parties only. As a result, no Finance Party shall be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Finance Parties may take concurrent proceedings in any number of jurisdictions.

38.2. **Service of process**

- (A) Without prejudice to any other mode of service allowed under any relevant law, the Company:
 - (1) irrevocably appoints Meda Pharmaceuticals Limited, Skyway House, Parsonage Road, Takeley, Bishop’s Stortford, CM22 6PU as its agent for service of process in relation to any proceedings before the English courts in connection with any Finance Document; and
 - (2) agrees that failure by an agent for service of process to notify the Company of the process will not invalidate the proceedings concerned.
- (B) If any person appointed as an agent for service of process is unable for any reason to act as agent for service of process, the Company must immediately (and in any event within five days of such event taking place) appoint another agent on terms acceptable to the Agent. Failing this, the Agent may appoint another agent for this purpose.

THIS AGREEMENT has been entered into on the date stated at the beginning of this Agreement.

SCHEDULE 1: THE ORIGINAL LENDERS

Name of Original Lender	Facility A Loan Commitment (SEK)	Facility B Loan Commitment (SEK)	Facility C Loan Commitment (SEK)
Danske Bank A/S, Danmark, Sverige Filial	919,275,000	865,725,000	1,785,000,000
DNB Bank ASA, Sweden Branch	919,275,000	865,725,000	1,785,000,000
Nordea Bank AB (publ)	919,275,000	865,725,000	1,785,000,000
Skandinaviska Enskilda Banken AB (publ)	919,275,000	865,725,000	1,785,000,000
Swedbank AB (publ)	919,275,000	865,725,000	1,785,000,000
Mizuho Bank, Ltd.	575,512,500	541,987,500	1,117,500,000
Svenska Handelsbanken AB (publ)	575,512,500	541,987,500	1,117,500,000
BNP Paribas Fortis SA/NV	345,050,000	324,950,000	670,000,000
Commerzbank Aktiengesellschaft	345,050,000	324,950,000	670,000,000
Total Commitments	SEK 6,437,500,000	SEK 6,062,500,000	SEK 12,500,000,000

SCHEDULE 2: CONDITIONS PRECEDENT TO INITIAL UTILISATION

1. **The Company**

- (A) certified copy of the current registration certificate (*Sw. registreringsbevis*) and articles of association (*Sw. bolagsordning*) of the constitutional documents of the Company.
- (B) A certified copy of a resolution of the board of directors of the Company:
 - (1) approving the terms of, and the transactions contemplated by, the Finance Documents and resolving that it executes the Finance Documents;
 - (2) authorising a specified person or persons to execute the Finance Documents on its behalf; and
 - (3) authorising a specified person or persons, on its behalf, to sign and/or despatch all documents and notices (including, if relevant any Utilisation Request and Selection Notice) to be signed and/or despatched by it under or in connection with the Finance Documents.
- (C) A specimen of the signature of each person authorised by the resolution referred to in paragraph (B) above.
- (D) A certificate of the Company (signed by a director or an authorised signatory of the Company) confirming that borrowing the Total Commitments would not cause any borrowing or similar limit binding on the Company to be exceeded.
- (E) A certificate of an authorised signatory of the Company certifying that:
 - (1) each copy document specified in this schedule 2 is correct, complete and in full force and effect as at a date no earlier than the date of this Agreement;
 - (2) the Acquisition Agreement has not been amended, varied, waived or terminated (without the consent of the Agent) in any material respect; and
 - (3) the Company has performed and complied with its material obligations under the Acquisition Agreement and has taken all reasonable and practical steps to preserve and enforce its rights thereunder.

2. **Legal Opinions**

- (A) A legal opinion of Simmons & Simmons LLP, London, legal advisors in England and Wales to the Agent, addressed to the Finance Parties.
- (B) A legal opinion of Advokatfirman Cederquist KB, legal advisors in Sweden to the Agent, addressed to the Finance Parties.

3. **Other Transaction Documents**

- (A) A copy of the executed Acquisition Agreement.
- (B) The executed Fee Letters.
- (C) Evidence that any process agent referred to in clause 38.2 (*Service of process*) has accepted its appointment.
- (D) Evidence that all fees, costs and expenses due from the Company under the Finance Documents have been paid or will be paid at the first Utilisation Date.
- (E) Evidence that the Bridge Facilities Agreement will be repaid and cancelled in full on the first Utilisation Date.
- (F) The Original Financial Statements.
- (G) The Group Structure Chart.
- (H) The Base Case Model.
- (I) The Rights Issue Prospectus.
- (J) The Funds Flow Statement.
- (K) Evidence that the Rights Issue has been completed.
- (L) A letter from the Company to the Agent specifying the Mandatory Prepayment Account including details of account name, account number and the name and address of the bank where the account is held.
- (M) Details and calculations of the amount of outstanding Pension Liabilities (a) on 30 June 2014 and (b) on the Completion Date.
- (N) A copy of any other Authorisation or other document, opinion or assurance which the Agent notifies the Company is necessary in connection with the entry into and performance of the transactions contemplated by any Finance Document or for the validity and enforceability of any Finance Document.

SCHEDULE 3: REQUESTS

PART 1: UTILISATION REQUEST

From: Meda AB (publ)

To: [•] as Agent

Dated:

Dear Sirs

Meda AB (publ)
SEK 25,000,000,000 Multicurrency Term and Revolving Credit Facilities Agreement
dated [•] 2014 (the “Agreement”)

1. We refer to the Agreement. This is a Utilisation Request. Terms defined in the Agreement have the same meaning in this Utilisation Request unless given a different meaning in this Utilisation Request.
2. We wish to borrow a Loan on the following terms:

Proposed Utilisation Date: [] (or, if that is not a Business Day, the next Business Day)
Facility to be utilised: [Facility A/ Facility BI Facility C]
Currency of Loan: []
Amount: [] or, if less, the Available Facility
Interest Period: []
3. We confirm that each condition specified in clause 4.2 (*Further conditions precedent*) is satisfied on the date of this Utilisation Request.
4. The proceeds of this Loan should be credited to [account].
5. This Utilisation Request is irrevocable.

Yours faithfully

Name and Title

authorised signatory for
Meda AB (publ)

PART 2: SELECTION NOTICE

From: Meda AB (publ)

To: [•] as Agent

Dated:

Dear Sirs

Meda AB (publ) - SEK 25,000,000,000 Multicurrency Term and Revolving Credit Facilities Agreement dated [•] 2014 (the “Agreement”)

1. We refer to the Agreement. This is a Selection Notice. Terms defined in the Agreement have the same meaning in this Selection Notice unless given a different meaning in this Selection Notice.
2. We refer to the following [Facility A]/[Facility B] Loan[s] in [*identify currency*] with an Interest Period ending on [].
We request that the next Interest Period for the above Loan[s] is []].
3. We request that the above Loan[s] [is]/[are] [denominated in the same currency for the next Interest Period]/[denominated in the following currencies: []]. As this results in a change of currency we confirm that each condition specified in clause 4.2 (*Further conditions precedent*) is satisfied on the date of the Selection Notice. The proceeds of any change in currency should be credited to [account]].
4. This Selection Notice is irrevocable.

Yours faithfully

Name and Title

authorised signatory for
Meda AB (publ)

SCHEDULE 4: FORM OF TRANSFER CERTIFICATE

To: [•] as Agent

From: [The Existing Lender] (the **Existing Lender**) and [The New Lender] (the **New Lender**)

Dated:

Meda AB (publ) - SEK 25,000,000,000 Multicurrency Term and Revolving Credit Facilities Agreement dated [•] 2014 (the “Agreement”)

1. We refer to the Agreement. This is a Transfer Certificate. Terms defined in the Agreement have the same meaning in this Transfer Certificate unless given a different meaning in this Transfer Certificate.
2. We refer to clause 23.5 (Procedure for transfer):
 - (A) The Existing Lender and the New Lender agree to the Existing Lender transferring to the New Lender all or part of the Existing Lender’s Commitment, rights and obligations referred to in the Schedule in accordance with clause 23.5 (*Procedure for transfer*).
 - (B) The proposed Transfer Date is [
 - (C) The Facility Office and address, email address, fax number and attention details for notices of the New Lender for the purposes of clause 30.2 (*Addresses*) are set out in the Schedule.
3. The New Lender expressly acknowledges the limitations on the Existing Lender’s obligations set out in paragraph (C) of clause 23.4 (*Limitation of responsibility of Existing Lenders*).
4. This Transfer Certificate may be executed in any number of counterparts and this has the same effect as if the signatures on the counterparts were on a single copy of this Transfer Certificate.
5. This Transfer Certificate and any non-contractual obligations arising out of or in connection with it are governed by English law.
6. This Transfer Certificate has been entered into on the date stated at the beginning of this Transfer Certificate.

THE SCHEDULE

COMMITMENT/RIGHTS AND OBLIGATIONS TO BE TRANSFERRED

[insert relevant details]

[Facility Office address, email address, fax number and attention details for notices and account details for payments,]

[Existing Lender]

[New Lender]

By:

By:

This Transfer Certificate is accepted by the Agent and the Transfer Date is confirmed as [].

[•]

By:

SCHEDULE 5: FORM OF ASSIGNMENT AGREEMENT

To: [•] as Agent

From: [The Existing Lender] (the “Existing Lender”) and [The New Lender] (the New Lender)

Dated:

Meda AB (publ) - SEK 25,000,000,000 Multicurrency Term and Revolving Credit Facilities Agreement dated [•] 2014 (the “Agreement”)

1. We refer to the Agreement. This is an Assignment Agreement. Terms defined in the Agreement have the same meaning in this Assignment Agreement unless given a different meaning in this Assignment Agreement.
2. We refer to clause 23.6 (Procedure for assignment):
 - (A) The Existing Lender assigns absolutely to the New Lender all the rights of the Existing Lender under the Agreement and the other Finance Documents which relate to that portion of the Existing Lender’s Commitment and participations in Loans under the Agreement as specified in the Schedule.
 - (B) The Existing Lender is released from all the obligations of the Existing Lender which correspond to that portion of the Existing Lender’s Commitment and participations in Loans under the Agreement specified in the Schedule.
 - (C) The New Lender becomes a Party as a Lender and is bound by the obligations equivalent to those from which the Existing Lender is released under paragraph (B) above.
3. The proposed Transfer Date is [
4. On the Transfer Date the New Lender becomes a Party to the Finance Documents as a Lender.
5. The Facility Office and address, email address, fax number and attention details for notices of the New Lender for the purposes of clause 30.2 (*Addresses*) are set out in the Schedule.
6. The New Lender expressly acknowledges the limitations on the Existing Lenders obligations set out in paragraph (C) of clause 23.4 (*Limitation of responsibility of Existing Lenders*).
7. This Assignment Agreement acts as a notice to the Agent (on behalf of each Finance Party) and, upon delivery in accordance with clause 23.7 (*Copy of Transfer Certificate, Assignment Agreement or Increase Confirmation to Company*), to the Company of the assignment referred to in this Assignment Agreement.

8. This Assignment Agreement may be executed in any number of counterparts and this has the same effect as if the signatures on the counterparts were on a single copy of this Assignment Agreement.
9. This Assignment Agreement and any non-contractual obligations arising out of or in connection with it are governed by English law.
10. This Assignment Agreement has been entered into on the date stated at the beginning of this Assignment Agreement.

SCHEDULE 6: FORM OF INCREASE CONFIRMATION

To: [•] as Agent

From: [Increase Lender] (the "Increase Lender")

Dated:

Meda AB (publ) - SEK 25,000,000,000 Multicurrency Term and Revolving Credit Facilities Agreement dated [•] 2014 (the "Agreement")

1. We refer to the Facility Agreement. This agreement (the "Agreement") shall take effect as an Increase Confirmation for the purpose of the Facility Agreement. Terms defined in the Facility Agreement have the same meaning in this Agreement unless given a different meaning in this Agreement.
2. We refer to clause 2.2 (*Increase*) of the Facility Agreement.
3. The Increase Lender agrees to assume and will assume all of the obligations corresponding to the Commitment specified in the Schedule (the "Relevant Commitment") as if it was an Original Lender under the Facility Agreement.
4. The proposed date on which the increase in relation to the Increase Lender and the Relevant Commitment is to take effect (the "Increase Date") is [].
5. On the Increase Date, the Increase Lender becomes party to the relevant Finance Documents as a Lender.
6. The Facility Office and address, email address, fax number and attention details for notices to the Increase Lender for the purposes of clause 30.2 (*Addresses*) are set out in the Schedule.
7. The Increase Lender expressly acknowledges the limitations on the Lenders' obligations referred to in paragraph (F) of clause 2.2 (*Increase*).
8. This Agreement may be executed in any number of counterparts and this has the same effect as if the signatures on the counterparts were on a single copy of this Agreement.
9. This Agreement and any non-contractual obligations arising out of or in connection with it are governed by English law.
10. This Agreement has been entered into on the date stated at the beginning of this Agreement.

THE SCHEDULE

RELEVANT COMMITMENT/RIGHTS AND OBLIGATIONS TO BE ASSUMED BY THE INCREASE LENDER

[insert relevant details]

[Facility office address, email address, fax number and attention details for notices and account details for payments]

[Increase Lender]

By:

This Agreement is accepted as an Increase Confirmation for the purposes of the Facility Agreement by the Agent and the Increase Date is confirmed as [].

Agent

By:

SCHEDULE 7: FORM OF COMPLIANCE CERTIFICATE

To: [•] as Agent

From: Meda AB (publ)

Dated:

Dear Sirs

Meda AB (publ) - SEK 25,000,000,000 Multicurrency Term and Revolving Credit Facilities Agreement dated [•] 2014 (the “Agreement”)

1. We refer to the Agreement. This is a Compliance Certificate. Terms defined in the Agreement have the same meaning when used in this Compliance Certificate unless given a different meaning in this Compliance Certificate.
2. This Compliance Certificate relates to the Test Period ending: [date]
Ratios:
Adjusted Senior Net Debt to Adjusted EBITDA Ratio [•] (based on Total Interest Bearing Debt of [•], Cash and Cash Equivalents of [•], Subordinated Debt of [•] and Adjusted EBITDA of [•] (of which [•] relates to acquisitions and [•] relates to disposals)).
EBITDA Interest Cover Ratio [•] (based on EBITDA of [•] and Total Interest Expenses of [•]).
Adjusted Senior Net Debt to Equity Ratio Es] (based on Total Interest Bearing Debt of [•], Cash and Cash Equivalents of [•], Subordinated Debt of [•] and Equity of [•]).
3. Details of the calculations relating to the Ratios set out above are attached to this Compliance Certificate.
4. We confirm that no Default is continuing.
5. [Details of any disposals made by the Group and any Approved Acquisitions made during the relevant Test Period to be set out.]
6. Senior Net Debt to Adjusted EBITDA Ratio for the purposes of clause 9.3 (*Applicable Margin*) is [•].
7. [We confirm that the amount of outstanding Pension Liabilities is [•]].

Signed:

Name:

[Chief Executive Officer/ Chief Financial Officer]

Of

Meda AB (publ)

SCHEDULE 8: TIMETABLE

	Loans in euro	Loans in SEK	Loans in other currencies
Agent notifies the Company if a currency is approved as an Optional Currency in accordance with clause 4.3 (<i>Conditions relating to Optional Currencies</i>)	11.00 a.m. on the second Business Day following a Utilisation Request	11.00 a.m. on the second Business Day following a Utilisation Request	11.00 a.m. on the second Business Day following a Utilisation Request
Delivery of a duly completed Utilisation Request (clause 5.1 (<i>Delivery of a Utilisation Request</i>)) or a Selection Notice (clause 10.1 (<i>Selection of Interest Periods</i>))	U – 3 10.00 a.m.	U – 3 10.00 a.m.	U – 3 10.00 a.m.
Agent determines (in relation to a Utilisation) the Base Currency Amount of the Loan, if required under clause 5.4 (<i>Lenders' participation</i>) and notifies the Lenders of the Loan in accordance with clause 5.4 (<i>Lenders' participation</i>)	U – 3 5.00 p.m.	U – 3 5.00 p.m.	U – 3 5.00 p.m.
Agent receives a notification from a Lender under clause 6.2 (<i>Unavailability of a currency</i>)	Quotation Day 9.30 a.m.	Quotation Day 9.30 a.m.	Quotation Day 9.30 a.m.
Agent gives notice in accordance with clause 6.2 (<i>Unavailability of a currency</i>)	Quotation Day 11.00 a.m.	Quotation Day 11.00 a.m.	Quotation Day 11.00 a.m.
Agent determines amount of the Term Loan in Optional Currency in accordance with clause 6.3 (<i>Change of currency</i>)	Quotation Day – 1 5.00 p.m.	Quotation Day – 1 5.00 p.m.	Quotation Day – 1 5.00 p.m.
Agent determines amount of the Term Loan in Optional Currency in accordance with paragraph (A) of clause 6.4 (<i>Same Optional Currency during Successive Interest Periods</i>).	Quotation Day – 1 5.00 p.m.	Quotation Day – 1 5.00 p.m.	Quotation Day – 1 5.00 p.m.

	Loans in euro	Loans in SEK	Loans in other currencies
Agent determines amount of Term Loan in Optional Currency converted into Base Currency in accordance with paragraph (B) of clause 6.4 (<i>Same Optional Currency during Successive Interest Periods</i>).	Quotation Day – 1 5.00 p.m.	Quotation Day – 1 5.00 p.m.	Quotation Day – 1 5.00 p.m.
Relevant IBOR is fixed	Quotation Day 11:00 a.m. (Brussels time)	Quotation Day 11:00 a.m.	Quotation Day 11:00 a.m (London time)

SIGNATORIES

The Company

Signed for and on behalf of
MEDA AB (publ)

)
)

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The Bookrunners

Signed for and on behalf of)
DANSKE BANK A/S)

Signed for and on behalf of)
MERCHANT BANKING,)
SKANDINAVISKA ENSKILDA BANKEN AB (publ))

Signed for and on behalf of)
NORDEA BANK AB (publ))

The Mandated Lead Arrangers

Signed for and on behalf of)
DANSKE BANK A/S)

Signed for and on behalf of)
DNB BANK ASA, SWEDEN BRANCH)

Signed for and on behalf of)
MERCHANT BANKING,)
SKANDINAVISKA ENSKILDA BANKEN AB (publ))

Signed for and on behalf of)
NORDEA BANK AB (publ))

Signed for and on behalf of)
SWEDBANK AB (publ))

The Original Lenders

Signed for and on behalf of)
DANSKE BANK A/S,)
DANMARK, SVERIGE FILIAL)

Signed for and on behalf of)
DNB BANK ASA, SWEDEN BRANCH)

Signed for and on behalf of)
NORDEA BANK AB (publ))

Signed for and on behalf of)
SKANDINAVISKA ENSKILDA BANKEN AB (publ))

Signed for and on behalf of)
SWEDBANK AB (publ))

Signed for and on behalf of)
MIZUHO BANK, LTD.)

Signed for and on behalf of)
SVENSKA HANDELSBANKEN AB (PUBL))

Signed for and on behalf of)
BNP PARIBAS FORTIS SA/NV)

Signed for and on behalf of)
COMMERZBANK AKTIENGESELLSCHAFT)

The Agent

Signed for and on behalf of)
DANSKE BANK A/S)

AMENDMENT LETTER

To: Meda AB (publ) as the Company
Address: Pipers väg 2
SE-170 09 SOLNA
Sweden
Attention: Henrik Stenqvist

29 October 2015

Dear Sirs

Meda AB (publ) – SEK 25,000,000,000 Multicurrency Term and Revolving Credit Facilities Agreement dated 17 December 2014 (the “Agreement”)

1. **Background**

- (A) This letter is supplemental to and amends the Agreement.
- (B) Pursuant to clause 34 (*Amendments and waivers*) of the Agreement, the Lenders have consented to the amendments to the Agreement contemplated by this letter. Accordingly, we are authorised to execute this letter on behalf of the Finance Parties.

2. **Interpretation**

- (A) Terms defined in the Agreement have the same meaning in this letter unless given a different meaning in this letter.
- (B) The provisions of clause 1.2 (*Construction*) of the Agreement apply to this letter as though they were set out in full in this letter with all necessary changes.
- (C) “Effective Date” means the date on which the Agent confirms that it has received all of the documents and other evidence set out in clause 3(B) below in form and substance satisfactory to the Agent.

3. **Amendments**

- (A) Subject to paragraph (B) below, the Agreement will be amended from the Effective Date in accordance with paragraph (C) below.

- (B) The Agreement will not be amended by this letter unless the Agent notifies the Company and the Lenders that it has received:
- (1) a copy of this letter countersigned by the Company; and
 - (2) all of the documents set out in paragraph 4 (*Conditions precedent*) in form and substance satisfactory to the Agent.

The Agent shall notify the Company and the Lenders promptly upon being so satisfied.

- (C) On and from the Effective Date, the Agreement will be amended as follows:

- (1) the following definition shall be inserted into clause 1.1 (*Definitions*) of the Agreement:

“Major Acquisition” means (i) a single Approved Acquisition; or (ii) a series of Approved Acquisitions during the period between two Quarter Dates in the same financial year, where, in each case, the aggregate cash and non-cash consideration paid or payable by the Company exceeds EUR 250,000,000 (or its equivalent).”

- (2) a new clause 12.5 (*Acquisition Window fee*) shall be inserted into clause 12 (Fees) of the Agreement as follows:
“12.5 **Acquisition Window fee**

The Company shall pay to the Agent (for the account of each Lender) a fee in the Base Currency computed at the rate of 0.10 per cent of the Total Commitments as at each date upon which an Acquisition Window Notice is delivered to the Agent under paragraph (C) of clause 20.2 (*Adjusted Senior Net Debt to Adjusted EBITDA*). The fee shall be payable by the Company to the Agent (for the account of each Lender) no later than the date falling 10 Business Days after the date of the relevant Acquisition Window Notice.”

- (3) the word “The” at the beginning of clause 20.2(A) (*Adjusted Senior Net Debt to Adjusted EBITDA*) of the Agreement shall be deleted and replaced with the words “Subject to paragraphs (C) to (F) below, the”;
- (4) the following shall be added after the existing clause 20.2(B) (*Adjusted Senior Net Debt to Adjusted EBITDA*) of the Agreement:

“(C) Provided that it has:

- (1) notified the Agent as such within 15 Business Days after the date of completion of a Major Acquisition (such notification constituting an “Acquisition Window Notice”); and
- (2) provided the Agent, on or before the delivery of the Acquisition Window Notice referred to in paragraph (1) above, with the following:
 - (i) a legal due diligence report prepared by the Company’s external legal counsel relating to the Major Acquisition;
 - (ii) a financial due diligence report prepared by the Company’s external advisors relating to the Major Acquisition;
 - (iii) a “sources and uses” financing plan prepared by the Company;
 - (iv) a presentation or other description of the Major Acquisition (including details of the target company/ies), including an analysis of the strategic rationale of the Major Acquisition; and
 - (v) a copy of the financial management case,

and subject always to the provisions of paragraphs (B) above and (D) to (F) below, the Company may require that the Adjusted Senior Net Debt to Adjusted EBITDA Ratio set out in paragraph (A) above shall:

- (3) for each Test Period ending on the subsequent four Quarter Dates following the completion of such Major Acquisition, not exceed 5.50:1.00;
- (4) for each Test Period ending on the subsequent fifth, sixth, seventh and eighth Quarter Dates following the completion of such Major Acquisition, not exceed 5.00:1.00, (the total time period referred to in paragraphs (3) and (4) above being (subject to paragraph (D) below) the “Acquisition Window”); and

- (5) for each Test Period ending on a Quarter Date after the end of an Acquisition Window, the Adjusted Senior Net Debt to Adjusted EBITDA Ratio set out in clause 20.2 (Adjusted Senior Net Debt to Adjusted EBITDA) of this Agreement shall not exceed 4.50:1.00.
- (D)
- (1) If at any time the Company delivers a Compliance Certificate to the Agent in accordance with the terms of this Agreement which evidences that the Adjusted Senior Net Debt to Adjusted EBITDA Ratio was equal to or less than 4.50:1.00 for any Test Period ending on a Quarter Date within an Acquisition Window, the Company may elect, by written notice to the Agent, that such Acquisition Window ends on and from the date of such notice.
 - (2) Any Acquisition Window which is outstanding on any date which is six months prior to a Termination Date shall automatically end on that date.
- (E) The Company may complete one or more Approved Acquisitions (including any Major Acquisition) during any Acquisition Window, provided that:
- (1) the Adjusted Senior Net Debt to Adjusted EBITDA Ratio set out in paragraph (C) above is met, and other provisions of the Finance Documents are complied with, at all times during that Acquisition Window; and
 - (2) all timings as set out in paragraph (C) above shall be calculated by reference to the first such Major Acquisition to occur within that Acquisition Window, and the ratios that must be complied with are not reset by the making of any subsequent Major Acquisitions within that same Acquisition Window.
- (F) Notwithstanding the provisions above:
- (1) the Company may only utilise one Acquisition Window at a time and may not utilise a second or a subsequent Acquisition Window unless and until the Company has delivered a Compliance Certificate to the Agent in accordance with the

terms of this Agreement evidencing that the Adjusted Senior Net Debt to Adjusted EBITDA Ratio on the Quarter Date following the end of the previous Acquisition Window was at or below 4.50:1.00;

- (2) the Company may only submit an Acquisition Window Notice if, on the most recent Quarter Date prior to utilisation of the Acquisition Window in relation to which a Compliance Certificate was delivered in accordance with the terms of this Agreement, such Compliance Certificate evidenced that the Adjusted Senior Net Debt to Adjusted EBITDA Ratio was at or below 4.50:1.00;
- (3) the Company may not:
 - (a) submit an Acquisition Window Notice nor may any Acquisition Window remain outstanding at any time during the six Months prior to any Termination Date;
 - (b) submit an Acquisition Window Notice if an Acquisition Window is already outstanding;
 - (c) utilise an Acquisition Window for any purposes other than the making of Major Acquisitions.”
- (5) clause 20.3 (*Adjusted Senior Net Debt to Equity*) of the Agreement and the definition of “Adjusted Senior Net Debt to Equity” in clause 20.1 (Definitions) of the Agreement shall each be deleted in its entirety; and
- (6) the words “Adjusted Senior Net Debt to Equity Ratio [] (based on Total Interest Bearing Debt of [1, Cash and Cash Equivalents of [1, Subordinated Debt of [] and Equity of []).” shall be deleted from schedule 7 (*Form of Compliance Certificate*) of the Agreement in their entirety.

4. **Conditions precedent**

The conditions precedent to be delivered to the Agent by the Company in accordance with paragraph 3(B) (*Amendments*) above are:

- (A) A certified copy of the current registration certificate (*Sw. registreringsbevis*) and articles of association (*Sw. bolagsordning*) of the Company.

- (B) A certified copy of a resolution of the board of directors of the Company:
 - i. approving the terms of, and the transactions contemplated by, this letter and resolving that it executes this letter;
 - ii. authorising a specified person or persons to execute this letter on its behalf; and
 - iii. authorising a specified person or persons, on its behalf, to sign and/or despatch all documents and notices to be signed and/or despatched by it under or in connection with this letter.
- (C) A specimen of the signature of each person authorised by the resolution referred to in paragraph (B) above, unless provided previously (provided it remains in form and substance satisfactory to the Agent for the purposes of this letter).
- (D) A certificate of an authorised signatory of the Company certifying that each copy document specified in this paragraph (4) is correct, complete and in full force and effect as at a date no earlier than the Effective Date.
- (E) A copy of this letter, signed and dated.
- (F) Evidence that all fees, costs and expenses due from the Company under the Finance Documents have been paid or will be paid at the Effective Date.
- (G) A copy of any other Authorisation or other document, opinion or assurance which the Agent notifies the Company is necessary in connection with the entry into and performance of the transactions contemplated by this letter or for the validity and enforceability of this letter.

5. **Representations**

By countersigning this letter, the Company confirms to each Finance Party that on the date of their countersignature of this letter the Repeating Representations:

- (A) are true; and
- (B) would also be true if references to the Agreement are construed as references to the Agreement as amended by this letter.

Each Repeating Representation is applied to the circumstances existing at the time the Repeating Representation is made and are deemed to also be made by the Company on and immediately prior to the Effective Date by reference to the facts and circumstances then existing.

6. **Continuing obligations**

(A) The Company:

- (1) agrees to the amendment of the Agreement; and
- (2) with effect from the Effective Date, confirms that its obligations under or in connection with the Finance Documents will continue in full force and effect and extend to the liabilities and obligations of the Company to the Finance Parties under the Finance Documents as amended by this letter.

(B) Other than as amended by the terms of this letter, the Agreement and all other Finance Documents shall continue in full force and effect and, from the Effective Date, the Agreement and this letter will be read and construed as one document.

7. **Fees**

The Company shall pay to the Agent an amendment fee of 0.10 per cent of the aggregate Commitments of the Lenders that consented to the amendments outlined in paragraph 3(C) above (each a "Consenting Lender"), for the account of the Consenting Lenders on a pro rata basis, on the date upon which this letter is countersigned by the Company, to be payable by the Company to the account notified to the Company by the Agent for this purpose.

8. **Finance Document**

This letter is a Finance Document.

9. **Counterparts**

This letter may be signed in any number of counterparts and this has the same effect as if the signatories on the counterparts were on a single copy of this letter.

10. **Governing law and jurisdiction**

- (A) This letter and any non-contractual obligations arising out of or in connection with it are governed by English law.
- (B) Clause 38.1 (*Jurisdiction*) of the Agreement shall apply to this letter as if set out in full in this letter, except that references therein to "this Agreement" shall be deemed to be to "this letter".

If you agree to the above, please sign where indicated below.

Yours faithfully

For
Danske Bank A/S
as Agent

Form of acknowledgement

We agree to the above.

For
Meda AB (publ)
as the Company

Date:

AMENDMENT AND WAIVER LETTER

Exhibit 10.3

To: Danske Bank A/S as the Agent
Address: Holmens Kanal 2-12
DK-1092 Copenhagen K.
Denmark
Attention: Loan Agency

30 August, 2016

Dear Sirs

Meda AB (publ) — SEK 25,000,000,000 Multicurrency Term and Revolving Credit Facilities Agreement dated 17 December 2014, as amended by way of an amendment letter dated 29 October 2015 (the “Agreement”)

1. **Introduction**

- (A) Reference is made to the Agreement. This letter sets forth the Company’s request for amendments and a waiver to the Agreement, and the Company hereby seeks the support of the Agent and the Lenders for the amendments and waiver to the Agreement as set out in paragraph 4 (*Amendments and Waiver*) below.
- (B) This letter is supplemental to and amends and waives certain provisions of the Agreement in accordance with paragraph 4 (*Amendments and Waiver*) below.
- (C) Pursuant to clause 8.2 (*Change of control*) of the Agreement, the Company seeks the consent of the Lenders to the amendments and waiver to the Agreement contemplated by this letter.

2. **Background**

On August 2, 2016, Mylan N.V., a public limited liability company (*naamloze vennootschap*) incorporated and existing under the laws of the Netherlands (“Mylan”), announced that its recommended public offer (the “Offer”) to the shareholders of the Company to tender all their shares of the Company had been accepted by shareholders of the Company holding approximately 94% of the total number of outstanding shares and votes, and that the Offer was declared unconditional. Settlement occurred on August 5, 2016.

3. **Interpretation**

- (A) Terms defined in the Agreement have the same meaning in this letter unless given a different meaning in this letter.
- (B) The provisions of clause 1.2 (*Construction*) of the Agreement apply to this letter as though they were set out in full in this letter with all necessary changes.

- (C) “Effective Date” means the date on which the Agent confirms that it has received all of the documents and other evidence set out in paragraph 4(B) below in form and substance satisfactory to the Agent.
- (D) “Mylan Acquisition” means the direct or indirect acquisition of shares representing more than 50 per cent. of the issued share capital or votes in the Company by Mylan pursuant to the Offer and any action taken in connection with any such acquisition.

4. Amendments and Waiver

- (A) Subject to paragraph (B) below, we request that the terms of the Agreement will be amended and waived in accordance with paragraphs (C) and (D) below as of the Effective Date.
- (B) The amendments and waivers to the terms of the Agreement set forth in this letter will not become effective unless the Agent notifies the Company and the Lenders that it has received:
 - (1) a copy of this letter, dated and countersigned by the Company and the Agent, acting on the instructions of all of the Lenders; and
 - (2) all of the documents set out in paragraph 5 (*Conditions precedent*) in form and substance satisfactory to the Agent.
- (C) On and from the Effective Date, the Agreement will be amended as follows:
 - (1) the following definitions shall be inserted in the appropriate alphabetical order into clause 1.1 (*Definitions*) of the Agreement:
 - “Act” means the Swedish Companies Act (*Sw. Aktiebolagslagen (2005:551)*).
 - “Advance Access” means the acquisition of the issued share capital in the Company prior to the payment of the purchase price (*Sw. förhandstillträde*) pursuant to which the holder of more than 90 per cent. of the issued share capital in the Company becomes the owner of all minority shares before the Squeeze-Out procedure under the Act has been completed.
 - “Effective Date” means the date on which the conditions specified in paragraph 4(B) of the Second Amendment were satisfied.
 - “Foundation” means Stichting Preferred Shares Mylan, a foundation (*stichting*) established and existing under the laws of the Netherlands.
 - “Mylan” means Mylan N.V., a public limited liability company (*naamloze vennootschap*) incorporated and existing under the laws of the Netherlands.
 - “Second Amendment” means the letter from the Company to the Agent dated 30 August 2016 setting out various requested amendments and waivers, which was countersigned by the Agent acting on behalf of all the Lenders on __August 2016.

“Squeeze-Out” means any procedure (including the appointment of arbitrators and the composition of an arbitral tribunal) under Chapter 22 of the Act for the compulsory acquisition by Mylan of any issued share capital in the Company that have not been acquired pursuant to the public offer to all shareholders of the Company by Mylan to acquire all the issued share capital in the Company.

- (2) the definition of “Termination Date” in clause 1.1 (*Definitions*) of the Agreement shall be amended and restated in its entirety to read as follows:

““Termination Date” means, in relation to each of Facility A, Facility B and Facility C, the first anniversary of the Effective Date. ”

- (3) clause 8.2 (*Change of control*) of the Agreement shall be amended and restated in its entirety to read as follows:

“8.2. Change of control

(A) If either:

(1) (a) after the Effective Date but prior to obtaining Advance Access, Mylan fails to own, directly or indirectly, at least 90 per cent. of the issued share capital or votes in the Company and (b) after obtaining Advance Access, Mylan does not at any time own, directly or indirectly, all the issued share capital or votes in the Company; or

(2) any person or group of persons acting in concert (meaning acting together pursuant to an agreement or understanding (whether formal or informal)) other than the Foundation, through a single transaction or series of transactions acquires, directly or indirectly, shares in Mylan representing more than 50 per cent. of the issued share capital or votes in Mylan,

the Company shall without delay after becoming aware of such occurrence give notice to the Agent thereof. The Agent may (and shall, if instructed by any of the Lenders) for a period of 60 days from the date of receipt of any such notice from the Company, negotiate with the Company with a view to agreeing terms and conditions acceptable to the Company and the Agent for continuing the Facilities. Any agreement in writing between the Agent (acting on the instruction of all Lenders) and the Company reached within 60 days after notice from the Company shall take effect in accordance with its terms.

(B) If no such agreement as is referred to in paragraph (A) above is reached within that 60 day period, the Agent shall, at the request of a Lender, by notice to the Company, cancel the Commitments of that Lender and demand repayment of that Lender’s participation in all Loans, such repayment to be made on a Business Day not less than 60 days after such notice.

(C) Notwithstanding the foregoing, if:

- (1) a change of control event has occurred in accordance with clause 8.2(A)(2) above only (such event being the “Event”);
- (2) the 60 day period referred to in clause 8.2(A) above has been invoked by a Lender in relation to such Event;
- (3) the Event lasts for fewer than 60 days; and
- (4) prior to the expiration of such 60 day period, the Foundation exercises its right to acquire and does acquire the issued share capital or votes in Mylan such that the Event that would otherwise constitute a “change of control” under clause 8.2(A)(2) has ceased to exist prior to the end of that 60 day period,

the provisions of this clause 8.2 shall cease to apply to the Event.”

- (4) a new clause 21.24 shall be inserted into clause 21 (*General Undertakings*) of the Agreement as follows:

“21.24 Mylan Squeeze-Out

From the Effective Date, the Company shall, promptly following the Agent’s reasonable request, keep the Agent updated in relation to developments in the Advance Access and Squeeze-Out processes.”

(D) On and from the Effective Date, each of the Lenders hereby waives its rights under the provisions of clause 8.2(B) of the Agreement (in the form in force immediately prior to the Effective Date) which arose as a result of the Mylan Acquisition (including any transfer of the share capital in the Company by and among Mylan and its direct and indirect Subsidiaries that does not breach the provisions of clause 8.2 of the Agreement as amended on and from the Effective Date). For the avoidance of doubt, on and from the Effective Date, the rights of the Lenders under the provisions of clause 8.2(B) of the Agreement as amended by this letter continue in full force and effect.

(E) If the Effective Date has not occurred by close of business on or before 01 September, 2016 (or such later date agreed by the Company and the Agent (acting on the instructions of all the Lenders)), the terms of this letter, other than paragraph 8 (Costs), shall cease to have effect.

5. **Conditions precedent**

The conditions precedent to be delivered to the Agent by the Company in accordance with paragraph 4(B) (*Amendments and Waiver*) above are:

- (A) A certified copy of a resolution of the board of directors of the Company authorising the Company to enter into, deliver and perform this letter and the transactions contemplated hereby.

- (B) A specimen of the signature of each person authorised to execute this letter on behalf of the Company, unless provided previously (provided it remains in form and substance satisfactory to the Agent for the purposes of this letter).
- (C) A certificate of an authorised signatory of the Company certifying that each copy document specified in this paragraph 5 is correct, complete and in full force and effect as at a date no earlier than the Effective Date.
- (D) Confirmation that each Lender has carried out all necessary “know your customer” or similar checks under all applicable laws and regulations in relation to Mylan.

6. **Representations**

By countersigning this letter, the Company confirms to each Finance Party that on the date of its countersignature of this letter:

- (A) the Repeating Representations (1) are true and (2) would also be true if references to the Agreement are construed as references to the Agreement as amended by this letter; and
- (B) the Company has the power to enter into, perform and deliver, and has taken all necessary action to authorise its entry into, performance and delivery of, this letter and the transactions contemplated hereby.

Each Repeating Representation is applied to the circumstances existing at the time the Repeating Representation is made and are deemed to also be made by the Company on and immediately prior to the Effective Date by reference to the facts and circumstances then existing.

7. **Continuing obligations**

- (A) The Company:
 - (1) agrees to the amendments and waivers of the terms of the Agreement set forth in this letter; and
 - (2) with effect from the Effective Date, confirms that its obligations under or in connection with the Finance Documents will continue in full force and effect and extend to the liabilities and obligations of the Company to the Finance Parties under the Finance Documents, except to the extent such obligations are amended or waived in accordance with the terms of this letter.
- (B) Other than with respect to terms amended or waived in accordance with the terms of this letter, the Agreement and all other Finance Documents shall continue in full force and effect and, from the Effective Date, the Agreement and this letter will be read and construed as one document.

8. **Costs**

The Company shall reimburse the Agent for the amount of all costs and expenses (including external and, to the extent work is carried out in lieu of external parties, internal legal fees) reasonably incurred by the Agent in connection with this letter to the extent required under the Agreement.

9. **Finance Document**

This letter is a Finance Document.

10. **Counterparts**

This letter may be signed in any number of counterparts and this has the same effect as if the signatories on the counterparts were on a single copy of this letter.

11. **Governing law and jurisdiction**

- (A) This letter and any non-contractual obligations arising out of or in connection with it are governed by English law.
- (B) Clause 38.1 (*Jurisdiction*) of the Agreement shall apply to this letter as if set out in full in this letter, except that references therein to “this Agreement” shall be deemed to be to “this letter”.

Please circulate this letter to the Lenders and ask each Lender to provide its response to the requested amendments and waiver contained herein.

If you agree to the above, please sign where indicated below.

Yours faithfully

For

Meda AB (publ)

as the Company

Please circulate this letter to the Lenders and ask each Lender to provide its response to the requested amendments and waiver contained herein.

If you agree to the above, please sign where indicated below.

Yours faithfully

For

Meda AB (publ)

as the Company

Form of acknowledgement

We hereby confirm that all the Lenders (on whose behalf the Agent has signed this letter) have agreed to the amendments and waiver as set out in the letter above.

For
Danske Bank A/S
as Agent (for and on behalf of all the Lenders)

Date: August, 2016

SEK 2,000,000,000

LOAN AGREEMENT

dated 17 September 2014

for

MEDA AB (PUBL)

as Borrower

with

AB SVENSK EXPORTKREDIT (PUBL)

as Lender

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THIS LOAN AGREEMENT (the “**Agreement**”) is dated 17 September 2014 and made between:

- (1) **MEDA AB (PUBL)**, reg. no 556427-2812, as borrower (the “**Borrower**”); and
- (2) **AB SVENSK EXPORTKREDIT (PUBL)** as lender (the “**Lender**”).

IT IS AGREED as follows:

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Agreement:

“**Authorisation**” means an authorisation, consent, approval, resolution, licence, exemption, tiling, notarisation or registration.

“**Availability Period**” means the period from and including the date of this Agreement to and including 31 December 2014.

“**Break Costs**” means the amount (if any) by which: the interest which the Lender should have received for the period from the date of receipt of all or any part of a Loan to the date of scheduled repayment in respect of that Loan, had the principal amount received been paid on the date of scheduled repayment in respect of that Loan; exceeds:

the amount which the Lender would be able to obtain by placing an amount equal to the principal amount received by it on deposit with a leading bank in the Stockholm interbank market for a period starting on the Business Day following receipt or recovery and ending on the date of scheduled repayment in respect of that Loan.

“**Business Day**” means a day (other than a Saturday or Sunday) on which banks are open for general business in Stockholm.

“**Change of Control**” means in relation to the Borrower,

- (a) an event or series of events resulting in one person or several persons who either (i) are, in respect of individuals, related, (ii) are, in respect of legal entities, members of the same group or (iii) who act or have agreed to act in concert, acquiring shares representing more than 50 (Fifty) per cent of the votes in the Borrower or otherwise establishing control over more than 50 (Fifty) per cent of the votes in the Borrower, or
- (b) the shares of the Borrower are de-listed from the Nasdaq OMX Nordic Exchange.

“**Commitment**” means SEK 2,000,000,000 (two billion Swedish kronor) to the extent not cancelled or reduced by the Lender under this Agreement.

“**Corruption**” means the offering, promising or giving of any pecuniary or other advantages to a public official, to influence the official to act or refrain from acting in relation to official duties with the purpose of obtaining or retaining business or other improper advantage.

“Dangerous Materials” means any element or substance, whether consisting of gas, liquid, solid or vapour, identified by any Environmental Law to be, to have been, or to be capable of being or becoming, harmful to mankind or any living organism or damaging the Environment.

“Default” means an Event of Default or any event or circumstance specified in Clause 19 (*Events of Default*) which would (with the expiry of a grace period or the giving of notice) be an Event of Default.

“Environment” means all or any of the following media; air (including air within buildings or other structures and whether above or below ground); land (including buildings and any other structures or erections in, or under it and any soil and anything below the surface or land); land covered with water, and water (including sea, ground and surface water).

“Environmental Law” means any applicable law or regulation which relates to (i) the pollution or protection of the environment, (ii) harm to or the protection of human health, (iii) the conditions of the workplace, or (iv) any hazardous emission or substance (including waste).

“Event of Default” means any event or circumstance specified as such in Clause 18.9(a) (*Events of Default*).

“Facility” means the term loan facility made available under this Agreement as described in Clause 2 (*The Facility*).

“Financial Indebtedness” means any indebtedness for or in respect of (i) moneys borrowed, (ii) finance or capital leases, (iii) receivables sold or discounted (other than on a non-recourse basis), (iv) other transactions having the commercial effect of borrowings, (v) the marked to market value of any derivative transactions, (vi) any counter-indemnity obligations in respect of guarantees or other instruments issued by a bank or financial institution, and (vii) liabilities in respect of guarantees or indemnities for any of the obligations referred to in items (i) to (vi).

“GAAP” means generally accepted accounting principles, standards and practices in Sweden.

“Group” means the Borrower and its Subsidiaries from time to time, and **“Group Company”** means any member of the Group.

“Increased Costs” means (i) a reduction in the rate of return from the Facility or on the Lender’s overall capital, (ii) an additional or increased cost or (iii) a reduction of any amount due and payable under this Agreement, which, in each case, is incurred or suffered by the Lender to the extent that it is attributable to the Lender having entered into its Commitment or funding or performing its obligations under this Agreement.

“Interest Period” means, in relation to a Loan, each period determined in accordance with Clause 10 (*Interest Periods*) and, in relation to an Unpaid Sum, each period determined in accordance with Clause 8.4 (*Default interest*).

“Loan” means a loan made or to be made under the Facility or the principal amount outstanding for the time being of that loan.

“Margin” means 1.90 per cent. per annum.

“**Material Adverse Effect**” means a material adverse effect on or material adverse change in:

- (a) the consolidated financial condition or business or assets of the Group as a whole; or
- (b) the ability of the Borrower to perform and comply with its obligations under this Agreement or with the financial covenants in Schedule 3 (*Financial Covenants*).

“**Original Financial Statements**” means, in relation to the Borrower, its audited financial statements for the financial year ended 2013.

“**Party**” means a party to this Agreement.

“**Quotation Day**” means, in relation to any period for which an interest rate is to be determined, two Business Days before the first day of that period unless market practice differs in the Stockholm interbank market in which case the Quotation Day will be determined by the Lender in accordance with market practice in that interbank market (and if quotations would normally be given by leading banks in that interbank market on more than one day, the Quotation Day will be the last of those days).

“**Reference Banks**” means Nordea Bank AB (publ), Svenska Handelsbanken AB (publ) and Skandinaviska Enskilda Banken AB (publ) and any other banks as may be appointed by the Lender after consultation with the Borrower.

“**Screen Rate**” means the percentage rate per annum for the relevant period, displayed on the Reuters page SIOR. If the agreed page is replaced or the service ceases to be available, the Lender may specify another page or service displaying the appropriate rate after consultation with the Borrower.

“**Security**” means a mortgage, charge, pledge, lien or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect.

“**STIBOR**” means, in relation to any Loan or Unpaid Sum

- (a) the applicable Screen Rate; or
- (b) (if no Screen Rate is available for SEK for the Interest Period of that Loan or Unpaid Sum) the arithmetic mean of the rates (rounded upwards to four decimal places) as supplied to the Lender at its request quoted by the Reference Banks to leading banks in the Stockholm interbank market,

as of 11.00 a.m. (Stockholm time) on the Quotation Day for the offering of deposits in SEK for a period comparable to the Interest Period of that Loan or Unpaid Sum and, if any such rate is below zero, STIBOR will be deemed to be zero.

“**Subsidiary**” means, in relation to any person, any Swedish or foreign legal entity (whether incorporated or not), which at any time is a subsidiary (dotterföretag) to such person, directly or indirectly, as defined in the Companies Act (*Aktiebolagslagen*).

“**Swedish Kronor**” or “**SEK**” means the lawful currency of Sweden.

“**Tax**” means any tax, levy, impost, duty or other charge or withholding of a similar nature (including any penalty or interest payable in connection with any failure by the Borrower to pay or any delay by the Borrower in paying any of the same).

“**Termination Date**” means the date falling three (3) years after the Utilisation Date.

“**Unpaid Sum**” means any sum due and payable but unpaid by the Borrower under this Agreement.

“**Utilisation**” means the utilisation of the Facility.

“**Utilisation Date**” means the date of the Utilisation, being the date on which the Loan is to be made.

“**Utilisation Request**” means a notice substantially in the form set out in Schedule 2 (*Form of Utilisation Request*).

1.2 Construction

(a) Unless a contrary indication appears, any reference in this Agreement to:

- (i) the “**Lender**”, the “**Borrower**” or any “**Party**” shall be construed so as to include its successors in title, permitted assignees and permitted transferees;
- (ii) a “**regulation**” includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation;
- (iii) and on a provision of law is a reference to that provision as amended or reenacted.

(b) A Default or an Event of Default is “continuing” if it has not been remedied or waived.

2. THE FACILITY

Subject to the terms of this Agreement, the Lender makes available to the Borrower a term loan facility in an aggregate amount equal to the Commitment.

3. PURPOSE

The Borrower shall apply all amounts borrowed by it under the Facility towards general corporate purposes.

4. CONDITIONS OF UTILISATION

4.1 Initial conditions precedent

The Borrower may not deliver a Utilisation Request unless the Lender has received, or is reasonably satisfied that it will receive, all of the documents and other evidence listed in Schedule 1 (*Conditions precedent to Utilisation*) in form and substance satisfactory to the Lender. The Lender shall notify the Borrower promptly upon being so satisfied.

4.2 Further conditions precedent

The Lender will only be obliged to make a Loan available if on the date of the Utilisation Request and on the proposed Utilisation Date (i) no Default is continuing or would result from the proposed Loan and (ii) each of the representations set out in Clause 16 (*Representations*) to be made by the Borrower are true in all material respects.

5. UTILISATION

5.1 Delivery of a Utilisation Request

The Borrower may utilise the Facility by delivery to the Lender of a duly completed Utilisation Request not later than 10.00 a.m. (Stockholm time) three (3) Business Days before the proposed Utilisation Date.

5.2 Utilisations

Only one Utilisation Request may be delivered under this Agreement.

5.3 Completion of a Utilisation Request

A Utilisation Request is irrevocable and will not be regarded as having been duly completed unless it has been duly signed on behalf of the Borrower, the proposed Utilisation Date is a Business Day within the Availability Period and it complies with the terms of this Agreement.

6. REPAYMENT

The Borrower shall repay the Loan in full on the Termination Date. The Borrower may not reborrow any part of the Facility which is repaid.

7. PREPAYMENT AND CANCELLATION

7.1 Illegality

If it becomes unlawful in any applicable jurisdiction for the Lender to perform any of its obligations as contemplated by this Agreement or to fund or maintain a Loan:

- (a) the Lender shall promptly notify the Borrower upon becoming aware of that event;
- (b) upon the Lender notifying the Borrower, the Commitment will be immediately cancelled; and/or
- (c) the Borrower shall repay all Loans on the last day of the Interest Period occurring after the Lender has notified the Borrower or, if earlier, the date specified by the Lender in the notice delivered to the Borrower.

7.2 Change of Control

If a Change of Control occurs:

- (a) the Borrower shall promptly notify the Lender upon becoming aware of that event. The Lender may for a period of 30 days from the date of receipt of any such notice from the

Borrower, negotiate with the Borrower with a view to agreeing terms and conditions acceptable to the Borrower and the Lender for continuing the Facility. Any agreement in writing between the Lender and the Borrower reached within 30 days after notice from the Borrower shall take effect in accordance with its terms.

- (b) If no such agreement as is referred to in paragraph (a) above is reached within that 30 day period, the Lender may, cancel the Commitment and declare all Loans, together with accrued interest, and all other amounts accrued under this Agreement due and payable on a Business Day not less than 30 days after such notice, whereupon the Commitment will be cancelled and all such outstanding amounts will become due and payable on a Business Day not less than 30 days after such notice.

7.3 Automatic cancellation

Any part of the Commitment not utilised hereunder before the expiry of the Availability Period shall be automatically cancelled at close of business on such expiry.

7.4 Voluntary prepayment

The Borrower may, if it gives the Lender not less than five (5) Business Days' prior notice, prepay the whole or any part of the Loan on the next interest payment date, but, if in part, being an amount that reduces the amount of the Loan by a minimum of SEK 50,000,000.

7.5 Restrictions

- (a) Any notice of cancellation or prepayment given by any Party under this Clause 7 shall be irrevocable and, unless a contrary indication appears in this Agreement, shall specify the date or dates upon which the relevant cancellation or prepayment is to be made and the amount of that cancellation or prepayment.
- (b) Any prepayment under this Agreement shall be made together with (i) accrued interest on the amount prepaid and (ii) Break Costs payable pursuant to Clause 13.1.
- (c) If any part of the Commitment is cancelled the Borrower shall within five (5) Business Days demand by the Lender compensate the Lender for any costs that the Lender incurs (including but not limited to any loss of interest and costs related to the unwinding of swaps) due to the fact that the Lender's funding of the Commitment (or part thereof) is not being utilised by the Borrower.
- (d) The Borrower may not reborrow any part of the Facility which is prepaid.
- (e) No amount of the Commitment cancelled under this Agreement may be subsequently reinstated.

8. INTEREST

8.1 Calculation of interest

The rate of interest on the Loans for each Interest Period is the percentage rate per annum which is the aggregate of:

- (a) the Margin; and
- (b) STIBOR.

8.2 Changes to the calculation of interest

If (i) at or about noon on the Quotation Day for the relevant Interest Period the Screen Rate is not available and the Lender is unable to provide a quotation to determine STIBOR for the relevant Interest Period or (ii) the cost to the Lender of obtaining matching deposits in the Stockholm interbank market would be in excess of STIBOR, then the rate of interest on the Loan for that Interest Period shall be the percentage rate per annum which is the sum of the Margin and the rate notified to the Borrower by the Lender as soon as practicable and in any event before interest is due to be paid in respect of that Interest Period, to be that which expresses as a percentage rate per annum the cost to the Lender of funding the Loan from whatever source it may reasonably select.

8.3 Payment of interest

The Borrower shall pay accrued interest on the Loan on the last day of each Interest Period.

8.4 Default interest

If the Borrower fails to pay any amount payable by it under this Agreement on its due date, interest shall accrue on the overdue amount from the due date up to the date of actual payment (both before and after judgment) at a rate which is the sum of two (2) per cent. and the rate which would have been payable if the overdue amount had, during the period of non-payment, constituted a Loan in the currency of the overdue amount for successive Interest Periods, each of a duration selected by the Lender (acting reasonably). Any interest accruing under this Clause 8.4 shall be immediately payable by the Borrower on demand by the Lender. Default interest (if unpaid) arising on an overdue amount will be compounded with the overdue amount at the end of each Interest Period applicable to that overdue amount but will remain immediately due and payable.

9. FEES

The Borrower shall on the earlier to occur of the Utilisation Date and the last day of the Availability Period pay to the Lender an arrangement fee of SEK 4,800,000. If the arrangement fee is paid on the Utilisation date, payment shall be made by way of the Lender deducting such amount from the utilisation of the Loan.

10. INTEREST PERIODS

- (a) The Interest Period for the Loan is three (3) months or any other period agreed between the Borrower and the Lender.
- (b) The first Interest Period shall start on the Utilisation Date and subsequent Interest Periods shall start on the last day of its preceding Interest Period.
- (c) An Interest Period shall not extend beyond the Termination Date. If an Interest Period would otherwise end on a day which is not a Business Day, that Interest Period will

instead end on the next Business Day in that calendar month (if there is one) or the preceding Business Day (if there is not)

11. TAX GROSS UP AND INDEMNITIES

11.1 Tax gross-up

- (a) The Borrower shall make all payments to be made by it without any deduction or withholding for or on account of Tax ("Tax Deduction") from a payment under this Agreement, unless a Tax Deduction is required by law.
- (b) The Borrower shall promptly upon becoming aware that it must make a Tax Deduction (or that there is any change in the rate or the basis of a Tax Deduction) notify the Lender accordingly. Similarly, the Lender shall notify the Borrower on becoming so aware in respect of payment payable to the Lender.
- (c) If a Tax Deduction is required by law to be made by the Borrower, the amount of the payment due from it shall be increased to an amount which (after making any Tax Deduction) leaves an amount equal to the payment which would have been due if no Tax Deduction had been required.

11.2 Tax indemnity

- (a) The Borrower shall, within three (3) Business Days of demand, pay to the Lender an amount equal to the loss, liability or cost which the Lender determines will be or has been (directly or indirectly) suffered for or on account of Tax by it in respect of this Agreement.
- (b) Clause 11.2(a) shall not apply with respect to any Tax assessed on the Lender under the laws of the jurisdiction(s) in which the Lender is incorporated and/or resident for Tax purposes, if that Tax is calculated by reference to the net income received or receivable (but not any sum deemed to be received or receivable) by the Lender, or to the extent a loss, liability or cost is compensated for by an increased payment under Clause 11.1 (*Tax gross-up*).

11.3 Value added tax

- (a) All amounts set out, or expressed to be payable under this Agreement by the Borrower to the Lender which (in whole or in part) constitute the consideration for the purposes of value added tax or any other tax of a similar nature ("VAT") shall be deemed to be exclusive of any VAT which is chargeable on such supply, and accordingly, subject to paragraph (f) below, if VAT is chargeable on any supply made by the Lender to the Borrower, the Borrower shall pay to the Lender (in addition to and at the same time as paying the consideration for such supply) an amount equal to the amount of the VAT (if any) charged thereon.
- (b) Where this Agreement requires the Borrower to reimburse the Lender for any costs or expenses, the Borrower shall also at the same time pay and indemnify the Lender against all VAT incurred by the Lender in respect of the costs or expenses to the extent that the Lender reasonably determines that it is not entitled to credit or repayment from the relevant tax authority in respect of the VAT.

11.4 Tax Credit

If the borrower makes a tax payment and the lender determines (in its absolute discretion) that tax credit is attributable to that tax payment and the lender has obtained, utilised and retained that tax credit, the lender shall pay an amount to the borrower which the lender determines will leave it (after that payment) in the same after-tax position as it would have been in, had the tax payment not been required to be made by the borrower.

12. INCREASED COSTS

12.1 The Borrower shall, within three (3) Business Days of a demand by the Lender, pay to the Lender the amount of any Increased Costs incurred by the Lender as a result of (i) the introduction of or any change in (or in the interpretation, administration or application of) any law or regulation or (ii) compliance with any law or regulation made after the date of this Agreement.

12.2 Clause 12.1 does not apply to the extent any Increased Cost is:

- (a) attributable to a Tax Deduction required by law to be made by the Borrower;
- (b) compensated for by Clause 11 (*Tax Gross Up and Indemnities*) (or would have been compensated for, but was not so compensated solely because any of the exclusions in Clause 11.2(b) applied);
- (c) attributable to the negligent breach by the Lender or its affiliates of any law or regulation; or
- (d) attributable to the implementation or application of or compliance with the “Basel III: A global regulatory framework for more resilient banks and banking systems”, “Basel III: International framework for liquidity risk measurement, standards and monitoring” and “Guidance for national authorities operating the countercyclical capital buffer” published by the Basel Committee on Banking Supervision in 16 December 2010 in the form existing on the date of this Agreement (“**Basel III**”) or any other law or regulation which implements Basel III (whether such implementation, application or compliance is by a government, regulator, Lender or any of its Affiliates) as a result of any requirement of Basel III.

12.3 Increased Cost Claims

The Lender intending to make a claim pursuant to Clause 12.1 (*Increased Costs*) shall promptly notify the Borrower of the event giving rise to the claim.

The Lender shall, together with its demand, provide a certificate conforming the amount and basis of calculation of its Increased Costs, such certificate being undisputed and conclusive evidence in the form and contents as provided by the Lender.

13. OTHER INDEMNITIES

13.1 Break Costs

The Borrower shall, within five (5) Business Days of demand by the Lender, pay to the Lender its Break Costs attributable to all or any part of a Loan being paid by the Borrower on a day other than the scheduled date of repayment for that Loan.

13.2 Currency indemnity

- (a) Swedish Kronor is the currency of account and payment for any sum due from the Borrower under this Agreement, except that a repayment of a Loan or Unpaid Sum or a payment of interest thereon shall be made in the currency in which that Loan or Unpaid Sum is denominated and that each payment in respect of costs, expenses or Taxes shall be made in the currency in which they are incurred. The Borrower waives any right it may have to pay any amount under this Agreement in a currency other than that in which it is expressed to be payable.
- (b) If any sum due from the Borrower under this Agreement has to be converted from the currency in which that sum is payable into another currency for the purpose of obtaining or enforcing an order, judgment or award, the Borrower shall as an independent obligation, within three (3) Business Days of demand, indemnify the Lender against any cost, loss or liability arising as a result of the conversion.

13.3 General indemnities

The Borrower shall, within three (3) Business Days of demand, indemnify the Lender against any cost (including, for the avoidance of doubt, any costs relating to the unwinding of a related swap or similar), loss or liability incurred by the Lender as a result of:

- (a) the occurrence of any Default, or the investigation of any event which they reasonably believe is a Default;
- (b) acting or relying on any notice, request or instruction which they reasonably believe to be genuine, correct and appropriately authorised;
- (c) a failure by the Borrower to pay any amount due under this Agreement on its due date;
- (d) funding, or making arrangements to fund, its participation in a Loan requested by the Borrower in a utilisation request but not made by reason of the operation of any one or more of the provisions of this Agreement (other than by reason of default or negligence by the relevant Lender); or
- (e) a Loan (or part of a Loan) not being prepaid in accordance with a notice of prepayment given by the Borrower.

14. MITIGATION BY THE LENDER

14.1 Mitigation

- (a) The Lender shall, in consultation with the Borrower, take all reasonable steps to mitigate any circumstances which arise and which would result in any amount becoming payable under or pursuant to, or cancelled pursuant to, this Agreement or clause 12 (*Increased Costs*).
- (b) Paragraph (a) above does not in any way limit the obligations of the Borrower under this Agreement.

14.2 Limitation of liability

- (a) The Borrower shall indemnify the Lender for all costs and expenses reasonably incurred by the Lender as a result of steps taken by it under clause 14.1 (*Mitigation*).
- (b) The Lender is not obliged to take any steps under clause 14.1 (*Mitigation*) if, in the opinion of the Lender (acting reasonably), to do so might be prejudicial to it.

15. COSTS AND EXPENSES

15.1 Enforcement costs

The Borrower shall, within three (3) Business Days of demand, pay to the Lender the amount of all costs and expenses (including legal fees) incurred by the Lender in connection with the enforcement of, or the preservation of any rights under, this Agreement.

15.2 Amendment costs

If (a) the Borrower requests an amendment, waiver or consent or (b) an amendment is required pursuant to the terms of this Agreement, the Borrower shall, within three (3) Business Days of demand, reimburse the Lender for the amount of all reasonable costs and expenses (including legal fees) properly incurred by the Lender in responding to, evaluating, negotiating or complying with that request or requirement.

16. REPRESENTATIONS

The Borrower makes the representations and warranties set out in this Clause 16 (*Representations*) to the Lender on the date of this Agreement and, by reference to the facts and circumstances then existing, on the date of the Utilisation Request and, except for 16.7(a) *No Event of Default*, 16.9 (*Corruption*), 16.14 *No Security*) and 16.16 (*No Insolvency*) on the first day of each Interest Period.

16.1 Status

It is a Swedish corporation (*aktiebolag*), duly incorporated and validly existing under the laws of Sweden and it has the power to own its assets and carry on its business as it is being conducted.

16.2 Binding obligations

The obligations expressed to be assumed by it in this Agreement are legal, valid, binding and enforceable obligations.

16.3 Non-conflict with other obligations

The entry into and performance by it of, and the transactions contemplated by, this Agreement do not and will not conflict with any law or regulation applicable to it, its articles of association or other constitutional documents or any agreement or instrument binding upon it or any of its assets.

16.4 Power and authority

It has the power to enter into, perform and deliver, and has taken all necessary action to authorise its entry into, performance and delivery of this Agreement and the transactions contemplated by this Agreement.

16.5 Validity and admissibility in evidence

All Authorisations required (i) to enable it lawfully to enter into, exercise its rights and comply with its obligations in this Agreement and (ii) to make this Agreement admissible in evidence in its jurisdiction of incorporation, have been obtained or effected and are in full force and effect.

16.6 Deduction of Tax

It is not required to make any deduction for or on account of Tax from any payment it may make under this Agreement.

16.7 No default

- (a) No Event of Default is continuing or might reasonably be expected to result from the making of a Utilisation.
- (b) No other event or circumstance is outstanding which constitutes a default under any other agreement or instrument which is binding on it or to which its assets are subject which might have a Material Adverse Effect.

16.8 No misleading information

No information has been given or withheld that results in the information given being untrue or misleading in any material respect.

16.9 Corruption

Neither it, and to the best of its knowledge and belief any Group Company nor any person acting on its or their behalf is engaged in any action which may be characterised as Corruption.

16.10 Environment

- (a) No claim (including any order, judgement or administrative proceedings of any governmental authority) against any Group Company is current, pending or to its knowledge

threatened in connection with (i) a breach or alleged breach of Environmental Laws, (ii) a fire, explosion or other event of any type involving a hazardous emission or substance, or (iii) any other environmental contamination, which, if adversely determined, is reasonably likely to have a Material Adverse Effect.

- (b) There are no conditions or circumstances associated with a Group Company which could be subject to an order, judgement or administrative proceedings of any governmental authority resulting from or involving (i) a breach of Environmental Laws, (ii) a hazardous emission or substance, or (iii) any other environmental contamination, which is reasonably likely to have a Material Adverse Effect.

16.11 Financial statements

- (a) Its Original Financial Statements were prepared in accordance with GAAP consistently applied.
- (b) Its Original Financial Statements fairly represent its financial condition and results of operations as at the end of and for the relevant financial year.
- (c) There has been no material adverse change in its business or consolidated financial condition since the date of its latest consolidated financial statements.

16.12 Pari passu ranking

Its payment obligations under this Agreement rank at least pari passu with the claims of all its other unsecured and unsubordinated creditors, except for obligations mandatorily preferred by law applying to companies generally.

16.13 No proceedings pending or threatened

No litigation, arbitration or administrative proceedings of or before any court, arbitral body or agency which, if adversely determined, might reasonably be expected to have a Material Adverse Effect have (to the best of its knowledge and belief) been started or threatened against it.

16.14 No Security

No Security exists over all or any of its assets other than as permitted under Clause 18.3 (*Negative pledge*).

16.15 Compliance with laws

It has not breached any law or regulation which breach has, or would reasonably be expected to have, a Material Adverse Effect.

16.16 No insolvency

- (a) It is not insolvent or unable to pay its debts (including subordinated and contingent debts), nor will it become so in consequence of entering into this Agreement or performing any transaction contemplated by this Agreement.

- (b) It has not taken any corporate action nor have any legal proceedings or other procedure or step been taken, started or threatened in relation to anything referred to in Clause 19.7 (*Insolvency proceedings*).

17. INFORMATION UNDERTAKINGS

The undertakings in this Clause 17 (*Information Undertakings*) remain in force from the date of this Agreement for so long as any amount is outstanding under this Agreement or any Commitment is in force.

17.1 Financial statements

The Borrower shall supply to the Lender:

- (a) as soon as the same become available, but in any event within 120 days after the end of each of its financial years, its audited financial statements for that financial year; and
- (b) as soon as the same become available, but in any event within 60 days after the end of each quarter, its consolidated financial statements (other than those referred to in (a) above).

For the purposes of (a) and (b) above financial statements shall be deemed to have been supplied to the Lender if and when they have been made available on a continuous basis in their entirety on the Borrower's public website.

17.2 Requirements as to financial statements

The Borrower shall procure that each set of financial statements delivered pursuant to Clause 17.1 (*Financial statements*) (i) fairly represents its consolidated financial condition and results of operations as at the end of and for the period in relation to which those financial statements were drawn up and (ii) is prepared using GAAP.

17.3 Information: miscellaneous

The Borrower shall supply to the Lender:

- (a) promptly upon becoming aware of them, the details of any litigation, arbitration or administrative proceedings which are current, threatened or pending against the Borrower, and which might, if adversely determined, have a Material Adverse Effect; and
- (b) promptly, such further information regarding the financial condition, business and operations of the Borrower as the Lender may reasonably request, except to the extent that disclosure of the information would breach any law, regulation, stock exchange requirement or duty of confidentiality.

17.4 Notification of default

The Borrower shall notify the Lender of any Default (and the steps, if any, being taken to remedy it) promptly upon becoming aware of its occurrence.

18. GENERAL UNDERTAKINGS

The undertakings in this Clause 18 (*General Undertakings*) remain in force from the date of this Agreement for so long as any amount is outstanding under this Agreement or any Commitment is in force.

18.1 Authorisations

The Borrower shall (and shall ensure that each Group Company will) promptly:

- (a) obtain, comply with and do all that is necessary to maintain in full force and effect; and
- (b) supply certified copies to the Lender of,

any Authorisation required under any law or regulation of its jurisdiction of incorporation to enable it to perform its obligations under this Agreement and to ensure the legality, validity, enforceability or admissibility in evidence in its jurisdiction of incorporation of this Agreement.

18.2 Compliance with laws

The Borrower shall (and shall ensure that each Group Company will) comply in all respects with all laws and regulations to which it may be subject.

18.3 Negative pledge

- (a) The Borrower shall not (and shall ensure that no Group Company will) create or permit to subsist any Security over any of its assets, except:
 - (i) any netting or set-off arrangement entered into by the Borrower in the ordinary course of its banking arrangements for the purpose of netting debit and credit balances;
 - (ii) any Security over or affecting any asset acquired through an acquisition permitted under this Agreement if:
 - (a) the Security, was not created in contemplation of that acquisition;
 - (b) the principal amount secured has not been increased in contemplation of or since that acquisition; and
 - (c) the Security is removed or discharged within six months of the date of that acquisition of such asset;
 - (iii) any lien arising by operation of law and in the ordinary course of trading; or
 - (iv) any Security (other than any permitted under paragraphs (i) to (iii) above) securing indebtedness the principal amount of which does not in aggregate exceed an amount in SEK (or its equivalent in another currency or currencies) equivalent to SEK 150,000,000.
- (b) The Borrower shall (and shall ensure that each Group Company will) use its best endeavours to repay as quickly as possible all indebtedness that is secured by any

Security in order for such Security to be released to the Borrower (or the relevant Group Company).

18.4 Disposals

The Borrower shall not (and shall ensure that no Group Company will) enter into a single transaction or a series of transactions (whether related or not and whether voluntary or involuntary) to sell, lease, transfer or otherwise dispose of any asset, except:

- (a) if made in the ordinary course of trading of the disposing entity, on arm's length terms and for fair market value;
- (b) dividends paid in the normal course of business in accordance with the provisions of all applicable laws and regulations;
- (c) in exchange for other assets comparable or superior as to type, value and quality;
- (d) if made between Group Companies only; or
- (e) if not permitted under paragraphs (a) to (d) above, where either (i) the book value of the assets disposed of does not in aggregate exceed an amount in SEK (or its equivalent in another currency or currencies) equivalent to five (5) per cent., in any financial year, of the book value of the gross assets of the Group at the beginning of the relevant financial year, or (ii) the EBITDA generated by the assets disposed of, when aggregated with the EBITDA generated by all other assets disposed of by any member of the Group (other than those listed in paragraphs (a) to (d) above), during the life of the Facilities, does not exceed 5 per cent. of Total EBITDA.

18.5 Merger

The Borrower shall not (and the Borrower shall ensure that no Group Company will) enter into any amalgamation, demerger, merger or corporate reconstruction, other than mergers involving Group Companies only.

18.6 Change of business

The Borrower shall procure that no substantial change is made to the general nature of its business from that carried on at the date of this Agreement.

18.7 Financial Indebtedness

The Borrower shall ensure that none of its Subsidiaries will incur or allow to remain outstanding any Financial Indebtedness, except:

- (a) the senior unsecured notes due 2019 issued by Rottapharm S.p.A. in an amount of EUR 400,000,000;
- (b) arising in the ordinary course of business with suppliers of goods with a maximum duration of 90 days;

- (c) any Financial Indebtedness of any person acquired by a Group Company which is incurred under arrangements in existence at the date of an acquisition permitted under this Agreement, but only for a period of 60 days from the date of such acquisition;
- (d) Financial Indebtedness between Group Companies; and
- (e) any Financial Indebtedness provided that the aggregate amount of such indebtedness does not exceed SEK 800,000,000.

18.8 Anti-Corruption

The Borrower shall not engage in any action which may be characterised as Corruption.

18.9 Environmental compliance

To the best of its knowledge and belief:

- (a) it and each of its Subsidiaries has not breached any applicable Environmental Laws which breach has, or is reasonably likely to have a Material Adverse Effect;
- (b) it, and each of its Subsidiaries, has not breached any of its Environmental Authorisations necessary, for the ownership and operation of its facilities and businesses as presently owned and operated, which breach has, or is reasonably likely to have a Material Adverse Effect; and
- (c) no Dangerous Materials have been used, disposed of generated, stored, transported, dumped, deposited, buried or emitted by any member of the Group at, on, from or under any premises (whether or not owned, leased, occupied or controlled by any member of the Group) in breach of any Environmental Law applicable to it which in any such case, has, or is reasonably likely to have a Material Adverse Effect.

19. EVENTS OF DEFAULT

Each of the events or circumstances set out in this Clause 18.9(a) (*Events of Default*) is an Event of Default (whether or not caused by any reason outside the control of the Borrower), save for Clause 19.9 (*Acceleration*).

19.1 Non-payment

The Borrower does not pay on the due date any amount payable pursuant to this Agreement at the place and in the currency in which it is expressed to be payable, unless its failure to pay is caused by administrative or technical error and payment is made within three (3) Business Days of its due date.

19.2 Financial Covenants

A breach of any financial covenant stipulated in Schedule 3 (*Financial Covenants*).

19.3 Other obligations

The Borrower does not comply with any provision of this Agreement (other than those referred to in Clause 19.1 (*Non-payment*) and Clause 19.2 (*Financial Covenants*) and such failure to comply

(if capable of remedy) is not remedied within five (5) Business Days of the Lender giving notice to the Borrower or the Borrower becoming aware of the failure to comply.

19.4 Misrepresentation

Any representation or statement made or deemed to be made by the Borrower in this Agreement or any other document delivered by or on behalf of the Borrower under or in connection with this Agreement is or proves to have been incorrect or misleading in any material respect when made or deemed to be made unless the facts or circumstances underlying the misrepresentation are capable of remedy and are remedied within twenty (20) Business Days of the earlier of the Lender giving notice to the Borrower or the Borrower becoming aware of the misrepresentation.

19.5 Cross default

- (a) Any Financial Indebtedness of any Group Company is not paid when due nor within any originally applicable grace period and the obligation to pay is not disputed in good faith and with appropriate means.
- (b) Any Financial Indebtedness of any Group Company is validly declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (however described).
- (c) Any commitment for any Financial Indebtedness of any Group Company is cancelled or suspended by a creditor of any Group Company as a result of an event of default (however described).
- (d) Any creditor of any Group Company becomes entitled to declare any Financial Indebtedness of any Group Company due and payable prior to its specified maturity as a result of an event of default (however described).
- (e) No Event of Default will occur under this Clause 19.5 (*Cross Default*) if the aggregate amount of Financial Indebtedness or commitment for Financial Indebtedness falling within paragraphs (a) to (d) above is less than EUR 10,000,000 (or its equivalent in any other currency or currencies).

In respect of (a) and (b) above, the Borrower shall provide evidence to the Lender of its payment or contesting such claims within fourteen (14) Business Days from the relevant due date.

19.6 Insolvency

Any Group Company is, or is deemed for the purposes of any applicable law to be, insolvent or unable, or admits inability, to pay its debts as they fall due, suspends making payments on any of its debts or, by reason of actual or anticipated financial difficulties, commences negotiations with one or more of its creditors with a view to rescheduling any of its indebtedness.

19.7 Insolvency proceedings

Any action, legal proceedings or other procedure or step is taken in relation to:

- (a) the suspension of payments, a moratorium of any indebtedness, bankruptcy, winding-up, dissolution, administration or reorganisation (by way of voluntary arrangement, scheme of

arrangement or otherwise) of any Group Company (except for the solvent winding-up or dissolution of a Group Company other than the Borrower);

- (b) a composition, compromise assignment or arrangement with any creditor of any Group Company; or
- (c) the appointment of a liquidator, receiver, administrative receiver, administrator, compulsory manager or other similar officer in respect of any Group Company or any assets of any Group Company,

or any analogous procedure or step is taken in any.

19.8 Material adverse change

Any event or series of events occurs which has or is reasonably likely to have a Material Adverse Effect.

19.9 Acceleration

On and at any time after the occurrence of an Event of Default which is continuing, the Lender may by notice to the Borrower:

- (a) cancel the Commitment whereupon it shall immediately be cancelled;
- (b) declare that all or part of the Loan, together with accrued interest, Break Costs and all other amounts accrued or outstanding under this Agreement be immediately due and payable, whereupon it shall become immediately due and payable; and/or
- (c) declare that all or part of the Loan, together with any Break Costs, be payable on demand, whereupon it shall immediately become payable on demand by the Lender.

20. CHANGES TO THE PARTIES

20.1 Assignments and transfers by the Lender

- (a) Subject to this Clause 20 the Lender may assign or transfer any of its rights and obligations under any Loan to another person being a bank or financial institution or to a export credit agency, insurance company, trust, fund or other entity which is regularly engaged in or established for the purpose of making, insuring, purchasing or investing in loans, securities or other financial assets ("New Lender"). The consent of the Borrower is required for an assignment or transfer by the Lender, unless the assignment or transfer is to an affiliate of the Lender or if an Event of Default has occurred or is continuing. The consent of the Borrower to an assignment must not be unreasonably delayed or withheld. The Borrower will be deemed to have given its consent five Business days after the Lender has requested it unless consent is expressly refused by the Borrower within that time. Unless a Default is continuing, the transfer must not give rise to increased costs or expenses for the Borrower under the Agreement or otherwise.
- (b) If the Lender assigns or transfers any of its rights and obligations under this Clause 20.1 and the Lender so requires, this Agreement shall be amended and restated under and pursuant to the terms of an amendment and restatement agreement to be entered into by the Parties

for the purpose of including provisions reflecting the requirements for agency provisions and several Lender.

20.2 Assignments and transfers by the Borrower

The Borrower may not assign or transfer any of its rights or obligations under this Agreement.

21. PAYMENT MECHANICS

- (a) On each date on which the Borrower is required to make a payment under this Agreement, the Borrower shall make the same available to the Lender for value on the due date and all payments shall be made to such account and with such bank as the Lender specifies.
- (b) If the Lender receives a payment that is insufficient to discharge all the amounts then due and payable by the Borrower under this Agreement, the Lender shall apply that payment towards the obligations of the Borrower under this Agreement in any order it deems fit.
- (c) All payments to be made by the Borrower under this Agreement shall be calculated and be made without (and free and clear of any deduction for) set-off or counterclaim.
- (d) Any payment which is due to be made on a day that is not a Business Day shall be made on the next Business Day in the same calendar month (if there is one) or the preceding Business Day (if there is not).
- (e) SEK. is the currency of account and payment for any sum due from the Borrower under this Agreement.

22. SET-OFF

The Lender may set off any matured obligation due from the Borrower under this Agreement against any matured obligation owed by the Lender to the Borrower, regardless of the place of payment, booking branch or currency of either obligation. If the obligations are in different currencies, the Lender may convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set-off. The Lender shall promptly notify the Borrower of such set-off or conversion.

23. NOTICES

- (a) Any communication or notice made or delivered under or in connection with this Agreement shall be made or delivered in writing in the English language and, unless otherwise stated, may be made by e-mail or letter.
- (b) The address and e-mail address (and the department or officer, if any, for whose attention the communication is to be made) of each Party for any communication, notice or document to be made or delivered under or in connection with this Agreement is:
 - (i) in the case of the Borrower:

Meda AB (publ)
Box 906

Pipers Väg 2
170 09 Solna

E-mail: par-ola.wirenlinde@meda.sc
Fax: +46-8-630 1919
Attention: Pär Ola Wirenlinde

(ii) in the case of the Lender:

AB Svensk Exportkredit
Box 194
101 23 Stockholm
E-mail: creditadministrationr@sek.se
Attention: Credit Administration

or any substitute address or e-mail address (or department or officer) as the relevant Party may notify to the other Party by not less than five (5) Business Days' notice.

(c) Any communication or document made or delivered by one Party to another under or in connection with this Agreement will only be effective:

(i) if by way of e-mail, when received in legible form; or if by way of letter, when it has been left at the relevant address or five (5) Business Days after being deposited in the post in an envelope addressed to it at that address,

and, if a particular department or officer is specified as part of its address details provided under this Clause 23 (*Notices*), if addressed to that department or officer.

24. DAY COUNT CONVENTION

Any interest accruing under this Agreement will accrue from day to day and is calculated on the basis of the actual number of days elapsed and a year of 360 days or, in any case where the practice in the Stockholm interbank market differs, in accordance with that market practice.

25. FORCE MAJEURE AND LIMITATION OF LIABILITY

- (a) The Lender shall not be held responsible for any damage arising out of any Swedish or foreign legal enactment, or any measure undertaken by a Swedish or foreign public authority, or war, strike, lockout, boycott, blockade or any other similar circumstance. The reservation in respect of strikes, lockouts, boycotts and blockades applies even if the Lender takes such measures, or is subject to such measures.
- (b) Any damage that may arise in other cases shall not be indemnified by the Lender if it has observed normal care. The Lender shall not in any case be held responsible for any indirect damage, consequential damage or loss of profit.
- (c) Should there be an obstacle as described in paragraph (a) above for the Lender to take any action in compliance with this Agreement, such action may be postponed until the obstacle has been removed.

26. CONFIDENTIALITY

- (a) Subject to paragraph (b) below, the Lender agrees to keep all information in respect of the Borrower, the Group Companies, this Agreement and the Facility of which the Lender becomes aware in its capacity as, or for the purpose of becoming, the Lender confidential and not to disclose it to anyone and to ensure that all such confidential information is protected with security measures and a degree of care that would apply to its own confidential information.
- (b) The Lender may disclose to any person with whom it may enter, or has entered into, any kind of transfer, participation or other agreement in relation to this Agreement (a **participant**):
 - (i) a copy of this Agreement; and
 - (ii) any information which the Lender has acquired under or in connection with this Agreement.

However, before a participant may receive any confidential information, it must agree with the Lender to keep that information confidential on the terms of paragraph (a) above.

- (c) The obligations of this Clause 26 are continuing and shall remain binding upon the Lender after the termination of this Agreement.

27. GOVERNING LAW AND JURISDICTION

- (a) This Agreement is governed by Swedish law.
- (b) Subject to section (c) below, the courts of Sweden have exclusive jurisdiction to settle any dispute arising out of or in connection with this Agreement (including a dispute regarding the existence, validity or termination of this Agreement). The City Court of Stockholm (Stockholms tingsrätt) shall be court of first instance.
- (c) Section (b) above is for the benefit of the Lender only. As a result, the Lender shall not be prevented from taking proceedings in any other courts with jurisdiction over the Borrower or any of its assets. To the extent allowed by law, the Lender may take concurrent proceedings in any number of jurisdictions.

This Agreement has been entered into on the date stated at the beginning of this Agreement.

SCHEDULE 1

CONDITIONS PRECEDENT TO UTILISATION

1. The Borrower

- (a) A copy of the articles of association and the current certificate of registration of the Borrower.
- (b) A copy of a resolution or power of attorney from the board of directors of the Borrower, approving the terms of, and the transactions contemplated by, this Agreement and resolving to enter into this Agreement, and authorising a specified person or persons to, on its behalf, execute this Agreement and sign and/or despatch all documents and notices (including, if relevant, a Utilisation Request) to be signed and/or despatched by it under or in connection with this Agreement.
- (c) Evidence that the Borrower has or will at the latest on the Utilisation Date repay its outstanding indebtedness of SEK 4,266,000,000 to the Lender.

2. Other documents and evidence

A copy of any other Authorisation or other document, opinion or assurance which the Lender considers to be necessary or desirable (if it has notified the Borrower accordingly) in connection with the entry into and performance of the transactions contemplated by this Agreement or for the validity and enforceability of this Agreement.

SCHEDULE 2
FORM OF UTILISATION REQUEST

From: Meda AB (publ)

To: AB Svensk Exportkredit

Dated: [**]

Dear Sirs

Meda AB (Publ) — SEK 2,000,000,000 Loan Agreement

dated 17 September 2014 (the “Agreement”)

1. We refer to the Agreement. This is a Utilisation Request. Terms defined in the Agreement have the same meaning in this Utilisation Request.
2. We wish to borrow a Loan on the following terms:

Proposed Utilisation Date: [•] 2014 (or, if that is not a Business Day, the next Business Day)

Currency and amount: SEK 2,000,000,000

Interest Period: Three (3) months
3. We confirm that each condition specified in Clause 4.2 (*Further conditions precedent*) is satisfied on the date of this Utilisation Request.
4. The proceeds of this Loan should be credited to *[account]*.
5. This Utilisation Request is irrevocable.

Yours faithfully

.....
authorised signatory(-ies) for
Meda AB (publ)

SCHEDULE 3

FINANCIAL COVENANTS

The Borrower undertakes for so long as any amount is outstanding under this Agreement or any Commitment is in force to comply with the following financial covenants, calculated for the Group and based on the most recently delivered consolidated financial statements for the Borrower.

1. Financial definitions

In this Schedule:

“Acquired Products” means any acquisition (either directly or indirectly by way of a company acquisition) of (i) branded OTC and prescription pharmaceuticals registered or to be registered with relevant authorities in relevant jurisdictions which the Borrower will be able to sell and market through its established distribution channels, and (ii) products or projects, in relation to OTC and prescription pharmaceuticals currently owned by the Borrower or for which the Borrower has distribution rights, such products or projects not yet registered but currently being developed.

“Acquisition” means the acquisition by the Borrower of all the issued share capital of the Target Company and the Target Group.

“Adjusted EBITDA” means, for a Test Period, EBITDA for that Test Period but adjusted:

- (a) to include the operating profit before interest, tax, depreciation, amortisation and impairment charges of a member of the Group and or any Acquired Product (with a documented sales track record of at least twelve (12) months inclusion) acquired during the Test Period; and
- (b) to exclude the operating profit before interest, tax, depreciation, amortisation and impairment charges attributable to any member of the Group and or any Acquired Product sold during that Test Period.

“Adjusted Senior Net Debt” means Senior Net Debt but adjusted:

- (a) to exclude Pension Liabilities; and
- (b) to include the lower of:
 - (i) Pension Liabilities; and
 - (ii) Defined Pension Liabilities.

“Adjusted Senior Net Debt to Adjusted EBITDA Ratio” means the ratio of Adjusted Senior Net Debt to Adjusted EBITDA.

“Adjusted Senior Net Debt to Equity Ratio” means the ratio of Adjusted Senior Net Debt to Equity.

“Balance Sheet” means, at any time, the balance sheet forming part of the latest consolidated accounts of the Group (whether audited or unaudited) delivered (or required to be delivered) to the Lender under Clause 17.1 (Financial statements).

“**Cash and Cash Equivalents**” means cash and cash equivalents as shown in the consolidated Balance Sheet.

“**Completion Date**” means the date on which the Acquisition is completed.

“**Defined Pension Liabilities**” means the amount of Pension Liabilities which (a) in the case of the Group (as of 30 June 2014), is outstanding on 30 June 2014 and (b) in the case of the Target Group, is outstanding on the Completion Date, both as calculated by the Borrower.

“**EBITDA**” means, for a Test Period, earnings before interest and other financial items, Taxes, depreciation and amortisation of goodwill, as shown in the Income Statement, and excluding costs incurred to third party advisors up to an aggregate amount not exceeding SEK 200,000,000 in relation to the Acquisition and the financing thereof and acquisition related restructuring costs directly related to any future acquisition of a company, products or business.

“**EBITDA Interest Cover Ratio**” means EBITDA as a ratio to Total Interest Expenses.

“**Equity**” means the sum of total equity and Minority Interests as shown in the Balance Sheet.

“**Income Statement**” means, at any time, the income statement forming part of the latest consolidated financial statements of the Group (whether audited or unaudited) delivered (or required to be delivered) to the Lender under Clause 17.1(Financial statements).

“**Minority Interests**” means the minority interests as shown in the Balance Sheet.

“**Pension Liabilities**” means any pension liabilities or other post-employment benefit obligations of the Group (net of any assets allocated in respect of such pension liabilities) treated as such in accordance with GAAP.

“**Senior Net Debt**” means Total Interest Bearing Debt less Cash and Cash Equivalents and Subordinated Debt.

“**Subordinated Debt**” means any interest bearing liabilities of the Borrower:

- (a) having no repayments until after the Termination Date;
- (b) being subordinated in right of payment to the Lender in the event of bankruptcy or liquidation; and
- (c) with default provisions limited to the insolvency and bankruptcy of the Borrower.

“**Target Company**” means Rottapharm S.p.A. a company incorporated under the laws of Italy.

“**Target Group**” means the Target Company and its Subsidiaries.

“**Test Period**” means the preceding period of 12 months ending on a quarter date each year as appropriate beginning with the 12 month period ending 31 December 2014.

“**Total Interest Bearing Debt**” means at any time the consolidated amount of the interest bearing liabilities, including financial leases and Pension Liabilities, as shown in the Balance Sheet.

“**Total Interest Expenses**” means all interest expenses incurred by the Group including interest expenses, commitment fees, agency fees, repayment and prepayment premiums incurred in repaying or prepaying Financial Indebtedness and interest elements of financial leases, as shown under the heading “Interest Expenses” in the Income Statement in accordance with GAAP.

2. Adjusted Senior Net Debt to Adjusted EBITDA

- (a) The Borrower shall ensure that the Adjusted Senior Net Debt to Adjusted EBITDA Ratio for each Test Period referred to in Column A below, shall not exceed the ratio set out in Column B below opposite that period:

Column A Test Period ending	Column B Ratio:
31 December 2014	5.50:1.00
31 March 2015	5.50:1.00
30 June 2015	5.50:1.00
30 September 2015	5.50:1.00
31 December 2015	5.50:1.00
31 March 2016	5.00:1.00
30 June 2016	5.00:1.00
30 September 2016	5.00:1.00
31 December 2016	5.00:1.00
31 March 2017	4.50:1.00
30 June 2017	4.50:1.00
30 September 2017	4.50:1.00
31 December 2017 and the last date of each subsequent calendar quarter date for as long as any Loan is outstanding	4.50:1.00

- (b) The Adjusted Senior Net Debt to Adjusted EBITDA Ratio shall be calculated on a pro forma basis. Furthermore, if adjustments to EBITDA are made from any Acquired Product, the calculation of EBITDA shall at the request of Lender be verified in a certificate from the auditors of the Borrower.

3. Adjusted Senior Net Debt to Equity

The Borrower shall ensure that the Adjusted Senior Net Debt to Equity Ratio for each Test Period shall not exceed 1.50:1.00.

4. EBITDA Interest Cover Ratio

The Borrower shall ensure that the EBITDA Interest Cover Ratio for each Test Period equals or exceeds 3.00:1.00.

SCHEDULE 4

FORM OF COMPLIANCE CERTIFICATE

To: AB Svensk Exportkredit (publ), as Lender

From: Meda AB (publ), as Borrower

Dated: [date]

**Meda AB (PUBL) — SEK 2,000,000,000 Loan Agreement dated 17 September 2014
(the “Agreement”)**

1. We refer to the Agreement. This is a compliance certificate. Terms defined in the Agreement have the same meaning when used in this compliance certificate.
2. This compliance certificate relates to:

Test Period: [PERIOD]
3. The calculations are based on the following figures:

Adjusted Senior Net Debt :

Adjusted EBITDA :

Equity:

Total Interest Expenses :
4. We confirm that:

The Adjusted Senior Net Debt to Equity Ratio did not during the Test Period exceed 1.50:1.00

Adjusted Senior Net Debt to Adjusted EBITDA Ratio did not during the Test Period exceed [•]

The EBITDA Interest Cover Ratio for the Test Period equals or exceeds 3.00:1.00
5. We confirm that no Default is continuing. *[If this statement cannot be made, the certificate should identify any Default that is continuing and the steps taken to remedy it.]*
6. We hereby certify that the attached financial statements give a true and fair view of (if audited) or fairly represent (if unaudited) the financial condition of the Borrower as at the date as at which those financial statements were drawn up.

MEDA AB (PUBL)

Name:

Name:

SIGNATORIES

The Borrower

MEDA AB (PUBL)

Name:

Name:

The Lender

AB SVENSK EXPORTKREDIT (PUBL)

Name:

Name:

**Certification of Principal Executive Officer Pursuant to
Section 302 of the Sarbanes-Oxley Act of 2002**

I, Heather Bresch, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Mylan N.V.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Heather Bresch

Heather Bresch

Chief Executive Officer

(Principal Executive Officer)

Date: November 9, 2016

**Certification of Principal Financial Officer Pursuant to
Section 302 of the Sarbanes-Oxley Act of 2002**

I, Kenneth S. Parks, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Mylan N.V.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Kenneth S. Parks

Kenneth S. Parks

Chief Financial Officer

(Principal Financial Officer)

Date: November 9, 2016

**Certification of Principal Executive Officer and Principal Financial Officer Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the Quarterly Report on Form 10-Q of Mylan N.V. (the "Company") for the period ended September 30, 2016 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), each of the undersigned, in the capacities and on the date indicated below, hereby certifies pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to his knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Heather Bresch

Heather Bresch
Chief Executive Officer
(Principal Executive Officer)

/s/ Kenneth S. Parks

Kenneth S. Parks
Chief Financial Officer
(Principal Financial Officer)

Date: November 9, 2016

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

The foregoing certification is being furnished in accordance with Securities and Exchange Commission Release No. 34-47551 and shall not be considered filed as part of the Form 10-Q.