
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 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 December 26, 2015

or

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

For the transition period from _____ to _____

Commission file number 001-35368

Michael Kors Holdings Limited

(Exact Name of Registrant as Specified in Its Charter)

British Virgin Islands
(State or other jurisdiction of
incorporation or organization)

N/A
(I.R.S. Employer
Identification No.)

33 Kingsway
London, United Kingdom
WC2B 6UF
(Address of Principal Executive Offices)

(Registrant's telephone number, including area code: 44 207 632 8600)

Securities registered or to be registered pursuant to Section 12(b) of the Act:

Title of Each Class
Ordinary Shares, no par value

Name of Each Exchange on which Registered
New York Stock Exchange

Securities registered or to be registered pursuant to Section 12(g) of the Act:

None

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 Website, 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 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

As of January 27, 2016, Michael Kors Holdings Limited had 179,430,966 ordinary shares outstanding.

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PART I - FINANCIAL INFORMATION
ITEM 1. FINANCIAL STATEMENTS

MICHAEL KORS HOLDINGS LIMITED AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(In thousands, except share data)
(Unaudited)

	December 26, 2015	March 28, 2015
Assets		
Current assets		
Cash and cash equivalents	\$ 696,823	\$ 978,922
Receivables, net	301,632	363,419
Inventories	588,295	519,908
Prepaid expenses and other current assets	74,921	127,443
Total current assets	1,661,671	1,989,692
Property and equipment, net	739,863	562,934
Intangible assets, net	66,363	61,541
Goodwill	23,215	14,005
Deferred tax assets	24,019	22,958
Other assets	19,086	33,498
Total assets	\$ 2,534,217	\$ 2,684,628
Liabilities and Shareholders' Equity		
Current liabilities		
Accounts payable	\$ 190,740	\$ 142,818
Accrued payroll and payroll related expenses	49,236	62,869
Accrued income taxes	33,306	25,507
Accrued expenses and other current liabilities	149,788	95,146
Total current liabilities	423,070	326,340
Deferred rent	104,407	88,320
Deferred tax liabilities	4,269	6,966
Long-term debt	3,977	—
Other long-term liabilities	18,571	22,037
Total liabilities	554,294	443,663
Commitments and contingencies		
Shareholders' equity		
Ordinary shares, no par value; 650,000,000 shares authorized; 207,358,367 shares issued and 179,406,768 outstanding at December 26, 2015; 206,486,699 shares issued and 199,656,833 outstanding at March 28, 2015	—	—
Treasury shares, at cost (27,951,599 shares at December 26, 2015 and 6,829,866 shares at March 28, 2015)	(1,450,114)	(497,724)
Additional paid-in capital	692,758	636,732
Accumulated other comprehensive loss	(97,915)	(66,804)
Retained earnings	2,830,810	2,168,761
Total shareholders' equity of MKHL	1,975,539	2,240,965
Noncontrolling interest	4,384	—
Total equity	1,979,923	2,240,965
Total liabilities and shareholders' equity	\$ 2,534,217	\$ 2,684,628

See accompanying notes to consolidated financial statements.

MICHAEL KORS HOLDINGS LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME
(In thousands, except share and per share data)
(Unaudited)

	Three Months Ended		Nine Months Ended	
	December 26, 2015	December 27, 2014	December 26, 2015	December 27, 2014
Net sales	\$ 1,341,678	\$ 1,263,226	\$ 3,375,766	\$ 3,159,932
Licensing revenue	55,801	51,500	137,669	130,553
Total revenue	1,397,479	1,314,726	3,513,435	3,290,485
Cost of goods sold	565,509	514,583	1,413,401	1,273,682
Gross profit	831,970	800,143	2,100,034	2,016,803
Selling, general and administrative expenses	377,648	344,174	1,036,286	915,443
Depreciation and amortization	45,014	37,492	132,731	100,554
Total operating expenses	422,662	381,666	1,169,017	1,015,997
Income from operations	409,308	418,477	931,017	1,000,806
Other (income) expense, net	(54)	188	840	(1,161)
Interest expense, net	632	116	1,116	147
Foreign currency losses	136	1,163	2,255	4,711
Income before provision for income taxes	408,594	417,010	926,806	997,109
Provision for income taxes	114,398	113,335	265,437	298,728
Net income	294,196	303,675	661,369	698,381
Less: Net loss attributable to noncontrolling interest	(390)	—	(708)	—
Net income attributable to MKHL	\$ 294,586	\$ 303,675	\$ 662,077	\$ 698,381
Weighted average ordinary shares outstanding:				
Basic	182,176,452	202,668,541	189,336,957	203,627,688
Diluted	184,851,616	205,647,816	192,143,422	206,752,103
Net income per ordinary share attributable to MKHL:				
Basic	\$ 1.62	\$ 1.50	\$ 3.50	\$ 3.43
Diluted	\$ 1.59	\$ 1.48	\$ 3.45	\$ 3.38
Statements of Comprehensive Income:				
Net income	\$ 294,196	\$ 303,675	\$ 661,369	\$ 698,381
Foreign currency translation adjustments	(11,999)	(22,220)	(7,771)	(46,824)
Net (losses) gains on derivatives	(4,739)	2,769	(23,300)	13,327
Comprehensive income	277,458	284,224	630,298	664,884
Less: Net loss attributable to noncontrolling interest	(390)	—	(708)	—
Less: Other comprehensive income attributable to noncontrolling interest	29	—	40	—
Comprehensive income attributable to MKHL	\$ 277,819	\$ 284,224	\$ 630,966	\$ 664,884

See accompanying notes to consolidated financial statements.

MICHAEL KORS HOLDINGS LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY
(In thousands)
(Unaudited)

	Ordinary Shares		Additional Paid-in Capital	Treasury Shares		Accumulated Other Comprehensive Loss	Retained Earnings	Total Equity of MKHL	Non-controlling Interest	Total Equity
	Shares	Amounts		Shares	Amounts					
Balance at March 28, 2015	206,487	\$ —	\$ 636,732	(6,830)	\$ (497,724)	\$ (66,804)	\$ 2,168,761	\$ 2,240,965	\$ —	\$ 2,240,965
Net income (loss)	—	—	—	—	—	—	662,077	662,077	(708)	661,369
Other comprehensive (loss) income	—	—	—	—	—	(31,111)	—	(31,111)	40	(31,071)
Total comprehensive income (loss)	—	—	—	—	—	—	—	630,966	(668)	630,298
Fair value of noncontrolling interest in MK Panama upon obtaining control	—	—	—	—	—	—	—	—	5,052	5,052
Forfeitures of restricted shares, net	(43)	—	—	—	—	—	—	—	—	—
Exercise of employee share options and vesting of restricted stock units	914	—	6,506	—	—	—	—	6,506	—	6,506
Equity compensation expense	—	—	38,705	—	—	—	—	38,705	—	38,705
Tax benefits on exercise of share options	—	—	10,815	—	—	—	—	10,815	—	10,815
Purchase of treasury shares	—	—	—	(21,122)	(952,390)	—	—	(952,390)	—	(952,390)
Other	—	—	—	—	—	—	(28)	(28)	—	(28)
Balance at December 26, 2015	<u>207,358</u>	<u>\$ —</u>	<u>\$ 692,758</u>	<u>(27,952)</u>	<u>\$ (1,450,114)</u>	<u>\$ (97,915)</u>	<u>\$ 2,830,810</u>	<u>\$ 1,975,539</u>	<u>\$ 4,384</u>	<u>\$ 1,979,923</u>

See accompanying notes to consolidated financial statements.

MICHAEL KORS HOLDINGS LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)
(Unaudited)

	Nine Months Ended	
	December 26, 2015	December 27, 2014
Cash flows from operating activities		
Net income	\$ 661,369	\$ 698,381
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	132,731	100,554
Equity compensation expense	38,705	33,445
Deferred income taxes	(971)	(8,636)
Amortization of deferred rent	1,984	3,933
Loss on disposal of fixed assets	2,277	1,802
Amortization of deferred financing costs	637	560
Tax benefits on exercise of share options	(10,815)	(40,220)
Foreign currency losses	3,684	165
Loss on joint venture	982	242
Change in assets and liabilities:		
Receivables, net	55,140	(22,548)
Inventories	(65,611)	(125,251)
Prepaid expenses and other current assets	34,248	(42,340)
Other assets	(428)	(8,993)
Accounts payable	47,193	34,881
Accrued expenses and other current liabilities	50,026	63,728
Other long-term liabilities	9,574	19,297
Net cash provided by operating activities	<u>960,725</u>	<u>709,000</u>
Cash flows from investing activities		
Capital expenditures	(290,206)	(282,733)
Purchase of intangible assets	(9,414)	(26,150)
Cash received, net of cash consideration paid to obtain controlling interest in MK Panama	4,104	—
Investments in joint venture	(982)	(2,940)
Net cash used in investing activities	<u>(296,498)</u>	<u>(311,823)</u>
Cash flows from financing activities		
Repayments of debt obligations	(198,012)	—
Borrowings under credit facility	192,450	—
Repurchase of treasury shares	(952,390)	(403,255)
Tax benefits on exercise of share options	10,815	40,220
Exercise of employee share options	6,506	10,060
Other financing activities	(28)	—
Net cash used in financing activities	<u>(940,659)</u>	<u>(352,975)</u>
Effect of exchange rate changes on cash and cash equivalents	(5,667)	(12,566)
Net (decrease) increase in cash and cash equivalents	<u>(282,099)</u>	<u>31,636</u>
Beginning of period	978,922	971,194
End of period	<u>\$ 696,823</u>	<u>\$ 1,002,830</u>
Supplemental disclosures of cash flow information		
Cash paid for interest	\$ 427	\$ 537
Cash paid for income taxes	\$ 205,846	\$ 315,608
Supplemental disclosure of non-cash investing and financing activities		
Accrued capital expenditures	\$ 45,614	\$ 25,790

See accompanying notes to consolidated financial statements.

MICHAEL KORS HOLDINGS LIMITED AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Business and Basis of Presentation

Michael Kors Holdings Limited (“MKHL,” and together with its subsidiaries, the “Company”) was incorporated in the British Virgin Islands (“BVI”) on December 13, 2002. The Company is a leading designer, marketer, distributor and retailer of branded women’s apparel and accessories and men’s apparel bearing the Michael Kors tradename and related trademarks “MICHAEL KORS,” “MICHAEL MICHAEL KORS,” and various other related trademarks and logos. The Company’s business consists of retail, wholesale and licensing segments. Retail operations consist of collection stores and lifestyle stores, including concessions and outlet stores, located primarily in the Americas (United States, Canada and Latin America), Europe and Japan, as well as e-commerce. Wholesale revenues are principally derived from major department and specialty stores located throughout the Americas and Europe, as well as certain of our licensees in Asia. The Company licenses its trademarks on products such as fragrances, beauty, eyewear, leather goods, jewelry, watches, coats, men’s suits, swimwear, furs and ties, as well as through geographic licenses.

The interim consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States (“U.S. GAAP”) and include the accounts of the Company and its wholly-owned subsidiaries. All significant intercompany balances and transactions have been eliminated in consolidation. The consolidated financial statements as of December 26, 2015, and for the three and nine months ended December 26, 2015 and December 27, 2014, are unaudited. In addition, certain information and footnote disclosures normally included in financial statements prepared in accordance with U.S. GAAP have been condensed or omitted. The interim financial statements reflect all normal and recurring adjustments, which are, in the opinion of management, necessary for a fair presentation in conformity with U.S. GAAP. The interim financial statements should be read in conjunction with the audited financial statements and notes thereto for the year ended March 28, 2015, as filed with the Securities and Exchange Commission on May 27, 2015, in the Company’s Annual Report on Form 10-K. The results of operations for the interim periods should not be considered indicative of results to be expected for the full fiscal year.

The Company has historically accounted for its investment in its Latin American joint venture, MK (Panama) Holdings, S.A. and subsidiaries (“MK Panama”), under the equity method of accounting. During the second quarter of Fiscal 2016, the Company made a series of capital contributions to the joint venture, obtaining a controlling interest in MK Panama. As such, the Company consolidated MK Panama into its operations beginning with the second quarter of Fiscal 2016. See Note 3 for additional information.

The Company utilizes a 52 to 53 week fiscal year ending on the Saturday closest to March 31. As such, the term “Fiscal Year” or “Fiscal” refers to the 52-week or 53-week period, ending on that day. Fiscal year 2016 will contain 53 weeks, whereas Fiscal 2015 contained 52 weeks. The results for the three and nine months ended December 26, 2015 and December 27, 2014, are based on 13-week and 26-week periods, respectively.

2. Summary of Significant Accounting Policies

Use of Estimates

The preparation of financial statements in accordance with U.S. GAAP requires management to use judgment and make estimates that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The level of uncertainty in estimates and assumptions increases with the length of time until the underlying transactions are completed. The most significant assumptions and estimates involved in preparing the financial statements include allowances for customer deductions, sales returns, sales discounts and doubtful accounts, estimates of inventory recovery, the valuation of share-based compensation, valuation of deferred taxes and the estimated useful lives used for amortization and depreciation of intangible assets and property and equipment. Actual results could differ from those estimates.

Reclassifications

Certain reclassifications have been made to the prior periods’ financial information in order to conform to the current period’s presentation.

Seasonality

The Company experiences certain effects of seasonality with respect to its wholesale and retail segments. The Company's wholesale segment generally experiences its greatest sales in our third and fourth fiscal quarters while its first fiscal quarter experiences the lowest sales. The Company's retail segment generally experiences greater sales during our third fiscal quarter as a result of Holiday season sales. In the aggregate, the Company's first fiscal quarter typically experiences significantly less sales volume relative to the other three quarters and its third fiscal quarter generally has higher sales volume relative to the other three quarters. However, the effects of seasonality are muted by the Company's recent growth.

Derivative Financial Instruments

The Company uses forward currency exchange contracts to manage its exposure to fluctuations in foreign currency for certain transactions. The Company in its normal course of business enters into transactions with foreign suppliers and seeks to minimize risks related to these transactions. The Company employs these forward currency contracts to hedge the Company's cash flows, as they relate to foreign currency transactions. Certain of these contracts are designated as hedges for accounting purposes, while others remain undesignated. All of the Company's derivative instruments are recorded in the Company's consolidated balance sheets at fair value on a gross basis, regardless of their hedge designation.

The Company designates certain contracts related to the purchase of inventory that qualify for hedge accounting as cash flow hedges. Formal hedge documentation is prepared for all derivative instruments designated as hedges, including description of the hedged item and the hedging instrument, the risk being hedged, and the manner in which hedge effectiveness will be assessed prospectively and retrospectively. The effective portion of changes in the fair value for contracts designated as cash flow hedges is recorded in equity as a component of accumulated other comprehensive income (loss) until the hedged item affects earnings. When the inventory related to forecasted inventory purchases that are being hedged is sold to a third party, the gains or losses deferred in accumulated other comprehensive income (loss) are recognized within cost of goods sold. The Company uses regression analysis to assess effectiveness of derivative instruments that are designated as hedges, which compares the change in the fair value of the derivative instrument to the change in the related hedged item. Effectiveness is assessed on a quarterly basis and any portion of the designated hedge contracts deemed ineffective is recorded to foreign currency gain (loss). If the hedge is no longer expected to be highly effective in the future, future changes in the fair value are recognized in earnings. For those contracts that are not designated as hedges, changes in the fair value are recorded to foreign currency gain (loss) in the Company's consolidated statements of operations. The Company classifies cash flows relating to its derivative instruments consistently with the classification of the hedged item, within cash from operating activities.

The Company is exposed to the risk that counterparties to derivative contracts will fail to meet their contractual obligations. In order to mitigate counterparty credit risk, the Company only enters into contracts with carefully selected financial institutions based upon their credit ratings and certain other financial factors, adhering to established limits for credit exposure. The aforementioned forward contracts generally have a term of no more than 12 months. The period of these contracts is directly related to the foreign transaction they are intended to hedge.

Net Income per Share

The Company's basic net income per ordinary share is calculated by dividing net income by the weighted average number of ordinary shares outstanding during the period. Diluted net income per ordinary share reflects the potential dilution that would occur if share option grants or any other potentially dilutive instruments, including restricted shares and units ("RSUs"), were exercised or converted into ordinary shares. These potentially dilutive securities are included in diluted shares to the extent they are dilutive under the treasury stock method for the applicable periods. Performance-based RSUs are included in diluted shares if the related performance conditions are considered satisfied as of the end of the reporting period and to the extent they are dilutive under the treasury stock method.

The components of the calculation of basic net income per ordinary share and diluted net income per ordinary share are as follows (in thousands, except share and per share data):

	Three Months Ended		Nine Months Ended	
	December 26, 2015	December 27, 2014	December 26, 2015	December 27, 2014
Numerator:				
Net income attributable to MKHL	\$ 294,586	\$ 303,675	\$ 662,077	\$ 698,381
Denominator:				
Basic weighted average shares	182,176,452	202,668,541	189,336,957	203,627,688
Weighted average dilutive share equivalents:				
Share options, restricted shares/units, and performance restricted share units	2,675,164	2,979,275	2,806,465	3,124,415
Diluted weighted average shares	184,851,616	205,647,816	192,143,422	206,752,103
Basic net income per share	\$ 1.62	\$ 1.50	\$ 3.50	\$ 3.43
Diluted net income per share	\$ 1.59	\$ 1.48	\$ 3.45	\$ 3.38

Share equivalents of 2,148,276 shares and 2,339,441 shares, respectively, have been excluded from the above calculations for the three and nine months ended December 26, 2015 due to their anti-dilutive effect. During the three and nine months ended December 27, 2014, share equivalents of 1,202,819 shares and 821,206 shares, respectively, have been excluded from the above calculations due to their anti-dilutive effect.

Recent Accounting Pronouncements — The Company has considered all new accounting pronouncements and has concluded that, with the exception of the below, there are no new pronouncements that are currently expected to have a material impact on results of operations, financial condition, or cash flows.

In November 2015, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2015-17, "Income Taxes (Topic 740): Balance Sheet Classification of Deferred Taxes," which eliminated the prior requirement to present deferred tax assets and liabilities as current and noncurrent in a classified balance sheet. ASU 2015-17 will require all deferred tax assets and liabilities to be classified as noncurrent. ASU 2015-17 is effective beginning with the Company's Fiscal 2018, with earlier application permitted. The Company elected to early adopt ASU 2015-17 during the third quarter of Fiscal 2016 on a retrospective basis. As of March 28, 2015, previously recorded current deferred tax assets and liabilities of \$27.7 million and \$3.7 million, respectively, were subject to reclassification to noncurrent. The Company's balance sheet as of March 28, 2015 also reflects a \$7.3 million reclassification between total deferred tax assets and deferred tax liabilities due to the fact that jurisdictional netting is not impacted by ASU 2015-17.

In September 2015, the FASB issued ASU No. 2015-16, "Business Combinations (Topic 805): Simplifying the Accounting for Measurement-Period Adjustments," which simplifies the accounting for adjustments made to provisional amounts recognized in a business combination by eliminating the requirement to retrospectively account for those adjustments and requiring such adjustments to be recognized in the reporting period in which they are determined. ASU 2015-16 requires disclosures of any amounts that would have been recorded in previous reporting periods if the adjustment was recognized as of the acquisition date. ASU 2015-16 is effective beginning with the Company's Fiscal 2017, with earlier application permitted, and should be applied prospectively. The Company is currently evaluating the impact of ASU 2015-16 on its consolidated financial statements.

In July 2015, the FASB issued ASU No. 2015-11, "Inventory (Topic 330): Simplifying the Measurement of Inventory." The new guidance requires inventory accounted for using the average cost or first-in first-out method ("FIFO") to be measured at the lower of cost or net realizable value, replacing the current requirement to value inventory at the lower of cost or market. Net realizable value is defined as the estimated selling price in the ordinary course of business, less reasonably predictable costs of completion, disposal and transportation. ASU 2015-11 is effective for interim and annual periods beginning after December 15, 2016 and should be applied prospectively, with earlier application permitted. The Company does not expect that ASU No. 2015-11 will have a material impact on its financial statements.

In June 2014, the FASB issued ASU No. 2014-12, "Accounting for Share-Based Payments When the Terms of an Award Provide That a Performance Target Could Be Achieved after the Requisite Service Period," ASU 2014-12 requires that a performance target under stock-based compensation arrangements that could be achieved after the service period is treated as a performance condition and not reflected in the grant-date fair value of the award. Rather, the related compensation cost should be recognized when it becomes probable that the performance targets will be achieved. ASU 2014-12 is effective beginning with the

Company's fiscal year 2017, with early adoption and retrospective application permitted. The Company does not expect that ASU 2014-12 will have a material impact on its consolidated financial statements.

In May 2014, the FASB issued ASU No. 2014-09, " *Revenue from Contracts with Customers* ," which provides new guidance for revenues recognized from contracts with customers, and will replace the existing revenue recognition guidance. ASU No. 2014-09 requires that revenue is recognized at an amount the company is entitled to upon transferring control of goods or services to customers, as opposed to when risks and rewards transfer to a customer. In July 2015, the FASB issued ASU No. 2015-14, " *Revenue from Contracts with Customers (Topic 606): Deferral of the Effective Date*," which deferred the effective date of ASU No. 2014-09 by one year, making it effective for the interim reporting periods within the annual reporting period beginning after December 15, 2017, or beginning with the Company's fiscal year 2019. This standard may be applied retrospectively to all prior periods presented, or retrospectively with a cumulative adjustment to retained earnings in the year of adoption. The Company is currently evaluating the adoption method and the impact that ASU 2014-09 will have on its consolidated financial statements and related disclosures.

3. Acquisition of Controlling Interest in a Joint Venture

During the second quarter of Fiscal 2016, the Company made contributions to MK Panama totaling \$18.5 million , consisting of cash consideration of \$3.0 million and the elimination of liabilities owed to the Company of \$15.5 million , which increased the Company's ownership interest to 75% . As a result of obtaining controlling interest in MK Panama, which was previously accounted for under the equity method of accounting, the Company began consolidating MK Panama into its operations during the second quarter of Fiscal 2016. The additional ownership interest provides the Company with more direct control over its operations in Latin America and will allow it to better manage its opportunities in the region.

The Company accounted for its acquisition of controlling interest in MK Panama as a business combination during the second quarter of Fiscal 2016. The following table summarizes the fair values of the assets acquired and liabilities and non-controlling interest assumed as of the date the Company obtained control of MK Panama, reflective of certain post-closing working capital adjustments (in thousands):

	June 28, 2015
Current assets	\$ 25,922
Fixed assets	6,374
Customer relationship intangible assets	2,000
Goodwill	9,210
Debt obligations	(9,539)
Other liabilities	(2,333)
Total fair value of net assets of MK Panama	31,634
Fair value of preexisting interest in MK Panama	8,107
Non-controlling interest	5,052
Fair value of consideration provided	\$ 18,475

In connection with this acquisition, the Company recorded non-deductible goodwill of \$9.2 million , of which \$8.0 million and \$1.2 million was assigned to the Company's retail and wholesale segments, respectively. The customer relationship intangible assets are being amortized over 10 years. The amount recorded in the Company's consolidated statement of operations in connection with the revaluation of its prior interest in MK Panama was not material.

The Company is in the process of finalizing estimates related to the cash and non-cash consideration provided in connection with obtaining controlling interest in MK Panama, which could result in further measurement period adjustments.

4. Receivables, net

Receivables, net consist of (in thousands):

	December 26, 2015	March 28, 2015
Trade receivables:		
Credit risk assumed by factors/insured	\$ 342,155	\$ 374,150
Credit risk retained by Company	65,239	67,530
Receivables due from licensees	34,262	11,763
	441,656	453,443
Less allowances:	(140,024)	(90,024)
	\$ 301,632	\$ 363,419

Receivables are presented net of allowances for sales returns, discounts, markdowns, operational chargebacks and doubtful accounts. Sales returns are determined based on an evaluation of current market conditions and historical returns experience. Discounts are based on open invoices where trade discounts have been extended to customers. Markdowns are based on wholesale customers' sales performance, seasonal negotiations with customers, historical deduction trends and an evaluation of current market conditions. Operational chargebacks are based on deductions taken by customers, net of expected recoveries. Such provisions, and related recoveries, are reflected in net sales.

The allowance for doubtful accounts is determined through analysis of periodic aging of receivables for which credit risk is not assumed by the factors, or which are not covered by insurance, and assessments of collectability based on an evaluation of historic and anticipated trends, the financial conditions of the Company's customers and the impact of general economic conditions. The past due status of a receivable is based on its contractual terms. Amounts deemed uncollectible are written off against the allowance when it is probable the amounts will not be recovered. Allowances for doubtful accounts were \$0.9 million and \$0.7 million, at December 26, 2015 and March 28, 2015, respectively.

5. Property and Equipment, net

Property and equipment, net consist of (in thousands):

	December 26, 2015	March 28, 2015
Leasehold improvements	\$ 390,043	\$ 294,225
In-store shops	234,895	189,308
Furniture and fixtures	201,596	160,178
Computer equipment and software	151,418	104,372
Equipment	81,113	73,609
Land	15,099	—
	1,074,164	821,692
Less: accumulated depreciation and amortization	(438,098)	(337,755)
	636,066	483,937
Construction-in-progress	103,797	78,997
	\$ 739,863	\$ 562,934

Depreciation and amortization of property and equipment for the three and nine months ended December 26, 2015 was \$43.2 million and \$126.8 million, respectively. Depreciation and amortization of property and equipment for the three and nine months ended December 27, 2014 was \$35.7 million and \$95.2 million, respectively.

6. Current Assets and Current Liabilities

Prepaid expenses and other current assets consist of the following (in thousands):

	December 26, 2015	March 28, 2015
Prepaid taxes	\$ 22,774	\$ 60,637
Prepaid rent	13,295	11,681
Leasehold incentive receivable	8,169	12,289
Unrealized gains on forward foreign exchange contracts	3,408	25,004
Other	27,275	17,832
	<u>\$ 74,921</u>	<u>\$ 127,443</u>

Accrued expenses and other current liabilities consist of the following (in thousands):

	December 26, 2015	March 28, 2015
Other taxes payable	\$ 45,764	\$ 20,202
Accrued rent	26,757	27,058
Gift cards and retail store credits	13,193	8,170
Accrued advertising	9,039	5,653
Professional services	6,430	7,347
Advance royalties	3,123	5,081
Accrued litigation	1,446	5,539
Unrealized loss on forward foreign exchange contracts	1,261	600
Other	42,775	15,496
	<u>\$ 149,788</u>	<u>\$ 95,146</u>

7. Debt Obligations

Senior Unsecured Revolving Credit Facility

On October 29, 2015, the Company entered into an amended and restated senior unsecured revolving credit facility ("2015 Credit Facility") with, among others, JPMorgan Chase Bank, N.A. ("JPMorgan Chase"), as administrative agent, which replaced its existing 2013 senior unsecured revolving credit facility ("2013 Credit Facility"). The Company and a U.S., Canadian, Dutch and Swiss subsidiary are the borrowers under the 2015 Credit Facility. The borrowers and certain material subsidiaries of the Company provide unsecured guarantees of the 2015 Credit Facility. The 2015 Credit Facility provides for up to \$1.0 billion in borrowings, which may be denominated in U.S. Dollars and other currencies, including Euros, Canadian Dollars, Pounds Sterling, Japanese Yen and Swiss Francs. The 2015 Credit Facility also provides for the issuance of letters of credit of up to \$75.0 million and swing line loans of up to \$50.0 million. The Company has the ability to expand its borrowing availability under the 2015 Credit Facility by up to an additional \$500.0 million, subject to the agreement of the participating lenders and certain other customary conditions. The 2015 Credit Facility expires on October 29, 2020.

Borrowings under the 2015 Credit Facility bear interest, at the Company's option, at (i) for loans denominated in U.S. Dollars, an alternative base rate, which is the greater of the prime rate publicly announced from time to time by JPMorgan Chase, the greater of the federal funds effective rate or Federal Reserve Bank of New York overnight bank funding rate plus 50 basis points or the one-month London Interbank Offered Rate adjusted for statutory reserve requirements for Eurocurrency liabilities ("Adjusted LIBOR") plus 100 basis points, in each case, plus an applicable margin based on the Company's leverage ratio; (ii) Adjusted LIBOR for the applicable interest period, plus an applicable margin based on the Company's leverage ratio; (iii) for Canadian borrowings, the Canadian prime rate, which is the greater of the PRIMCAN Index rate or the rate applicable to one-month Canadian Dollar banker's acceptances quoted on Reuters ("CDOR") plus 100 basis points, plus an applicable margin based on the Company's leverage ratio; or (iv) for Canadian borrowings, the average CDOR rate for the applicable interest period, plus an applicable margin based on the Company's leverage ratio.

The 2015 Credit Facility also provides for an annual administration fee and a commitment fee equal to 0.10% to 0.175% per annum, based on the Company's leverage ratio, applied to the average daily unused amount of the facility. Loans under the 2015 Credit Facility may be prepaid and commitments may be terminated or reduced by the borrowers without premium or penalty other than customary "breakage" costs with respect to loans bearing interest based upon Adjusted LIBOR or the CDOR rate.

The 2015 Credit Facility requires the Company to maintain a leverage ratio at the end of each fiscal quarter of no greater than 3.5 to 1. Such leverage ratio is calculated as the ratio of the sum of total indebtedness as of the date of the measurement plus 6.0 times the consolidated rent expense for the last four consecutive fiscal quarters, to Consolidated EBITDAR for the last four consecutive fiscal quarters. Consolidated EBITDAR is defined as consolidated net income plus income tax expense, net interest expense, depreciation and amortization expense, consolidated rent expense and other non-cash charges, subject to certain deductions. The 2015 Credit Facility also includes covenants that limit additional indebtedness, guarantees, liens, acquisitions and other investments and cash dividends that are customary for financings of this type. As of December 26, 2015, the Company was in compliance with all covenants related to this agreement.

The 2015 Credit Facility contains events of default customary for financings of this type, including but not limited to, payment defaults, material inaccuracy of representations and warranties, covenant defaults, cross-defaults to certain indebtedness, certain events of bankruptcy or insolvency, certain events under ERISA, material judgments, actual or asserted failure of any guaranty supporting the 2015 Credit Facility to be in full force and effect, and change of control. If such an event of default occurs, the lenders under the 2015 Credit Facility would be entitled to take various actions, including terminating the commitments and accelerating amounts outstanding under the 2015 Credit Facility.

As of December 26, 2015 and March 28, 2015, there were no borrowings outstanding under the 2015 Credit Facility or the prior 2013 Credit Facility. At December 26, 2015, stand-by letters of credit of \$10.5 million were outstanding under the 2015 Credit Facility. At December 26, 2015, the amount available for future borrowings was \$989.5 million.

Debt Obligations of MK Panama

During the second quarter of Fiscal 2016, the Company obtained controlling interest in MK Panama and began to consolidate its financial results into its operations (see Note 3 for additional information). MK Panama's debt obligations included on the Company's consolidated balance sheet as of December 26, 2015 are as follows (in thousands):

4.75% loan, due April 6, 2020 from Banco General de Panama	\$	1,855
5.0% loan (see Note 15)		2,000
Other		122
Total long-term debt	\$	<u>3,977</u>

8. Commitments and Contingencies

Leases

Future minimum lease payments as of December 26, 2015 under the terms of the Company's noncancelable operating lease agreements are as follows (in thousands):

Remainder of Fiscal 2016	\$	53,146
Fiscal 2017		213,851
Fiscal 2018		213,309
Fiscal 2019		205,444
Fiscal 2020		201,548
Thereafter		846,006
	\$	<u>1,733,304</u>

Contingencies

In the ordinary course of business, the Company is party to various legal proceedings and claims. Although the outcome of such items cannot be determined with certainty, the Company's management does not believe that the outcome of all pending legal proceedings in the aggregate will have a material adverse effect on its cash flow, results of operations or financial position.

Refer to the *Contractual Obligations and Commercial Commitments* disclosure within the *Liquidity* section of the Fiscal 2015 Form 10-K for a detailed disclosure of other commitments and contractual obligations as of March 28, 2015.

9. Fair Value of Financial Instruments

Financial assets and liabilities are measured at fair value using the three-level valuation hierarchy for disclosure of fair value measurements. The determination of the applicable level within the hierarchy of a particular asset or liability depends on the inputs used in the valuation as of the measurement date, notably the extent to which the inputs are market-based (observable) or internally derived (unobservable). Observable inputs are inputs that market participants would use in pricing the asset or liability developed based on market data obtained from independent sources. Unobservable inputs are inputs based on a company's own assumptions about market participant assumptions developed based on the best information available in the circumstances. The hierarchy is broken down into three levels based on the reliability of inputs as follows:

Level 1 – Valuations based on quoted prices in active markets for identical assets or liabilities that a company has the ability to access at the measurement date.

Level 2 – Valuations based on quoted inputs other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly through corroboration with observable market data.

Level 3 – Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

At December 26, 2015 and March 28, 2015, the fair values of the Company's foreign currency forward contracts, the Company's only derivative instruments, were determined using broker quotations, which were calculations derived from observable market information: the applicable currency rates at the balance sheet date and those forward rates particular to the contract at inception. The Company makes no adjustments to these broker obtained quotes or prices but assesses the credit risk of the counterparty and would adjust the provided valuations for counterparty credit risk when appropriate. The fair values of the forward contracts are included in prepaid expenses and other current assets, and in accrued expenses and other current liabilities in the consolidated balance sheets, depending on whether they represent assets or (liabilities) to the Company, as detailed in Note 10. All contracts are measured and recorded at fair value on a recurring basis and are categorized in Level 2 of the fair value hierarchy, as shown in the following table (in thousands):

	Fair value at December 26, 2015 using:			Fair value at March 28, 2015 using:		
	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Foreign currency forward contracts- Euro	\$ —	\$ 2,148	\$ —	\$ —	\$ 23,590	\$ —
Foreign currency forward contracts- Canadian Dollar	—	—	—	—	1,404	—
Foreign currency forward contracts- U.S. Dollar	—	(1)	—	—	(590)	—
Total	\$ —	\$ 2,147	\$ —	\$ —	\$ 24,404	\$ —

The Company's cash and cash equivalents, accounts receivable and accounts payable, are recorded at carrying value, which approximates fair value. Borrowings under revolving credit agreements are recorded at carrying value, which resembles fair value due to the short-term nature of such borrowings.

10. Derivative Financial Instruments

The Company uses forward foreign currency exchange contracts to manage its exposure to fluctuations in foreign currency for certain of its transactions. The Company in its normal course of business enters into transactions with foreign suppliers and seeks to minimize risks related to certain forecasted inventory purchases by using forward foreign currency exchange contracts. The Company only enters into derivative instruments with highly credit-rated counterparties. The Company's derivative financial

instruments are not currently subject to master netting arrangements. The Company does not enter into derivative contracts for trading or speculative purposes.

The following table details the fair value of the Company's derivative contracts, which are recorded on a gross basis in the consolidated balance sheets as of December 26, 2015 and March 28, 2015 (in thousands):

	Notional Amounts		Fair Values			
			Current Assets ⁽¹⁾		Current Liabilities ⁽²⁾	
	December 26, 2015	March 28, 2015	December 26, 2015	March 28, 2015	December 26, 2015	March 28, 2015
Designated forward currency exchange contracts	\$ 244,895	\$ 226,090	\$ 3,408	\$ 23,590	\$ 1,261	\$ 522
Undesignated forward currency exchange contracts	—	25,788	—	1,414	—	78
Total	\$ 244,895	\$ 251,878	\$ 3,408	\$ 25,004	\$ 1,261	\$ 600

⁽¹⁾ Recorded within prepaid expenses and other current assets in the Company's consolidated balance sheets.

⁽²⁾ Recorded within accrued expenses and other current liabilities in the Company's consolidated balance sheets.

Changes in the fair value of the effective portion of the Company's forward foreign currency exchange contracts that are designated as accounting hedges are recorded in equity as a component of accumulated other comprehensive income, and are reclassified from accumulated other comprehensive income into earnings when the items underlying the hedged transactions are recognized into earnings, as a component of cost of sales within the Company's consolidated statements of operations. The following tables summarize the impact of the effective portion of gains and losses of the forward contracts designated as hedges for the three month and nine month periods ended December 26, 2015 and December 27, 2014 (in thousands):

	Three Months Ended			
	December 26, 2015		December 27, 2014	
	Pre-Tax Gain Recognized in OCI (Effective Portion)	Less: Pre-Tax Gain Reclassified from Accumulated OCI into Earnings (Effective Portion)	Pre-Tax Gain Recognized in OCI (Effective Portion)	Less: Pre-Tax Gain Reclassified from Accumulated OCI into Earnings (Effective Portion)
Forward currency exchange contracts	\$ 542	\$ 5,792	\$ 5,095	\$ 1,956

	Nine Months Ended			
	December 26, 2015		December 27, 2014	
	Pre-Tax Loss Recognized in OCI (Effective Portion)	Less: Pre-Tax Gain Reclassified from Accumulated OCI into Earnings (Effective Portion)	Pre-Tax Gain Recognized in OCI (Effective Portion)	Less: Pre-Tax Gain Reclassified from Accumulated OCI into Earnings (Effective Portion)
Forward currency exchange contracts	\$ (17,770)	\$ 8,174	\$ 15,607	\$ 573

Amounts related to ineffectiveness were not material during all periods presented. The Company expects that substantially all of the amounts currently recorded in accumulated other comprehensive loss will be reclassified into earnings during the next twelve months, based upon the timing of inventory purchases and turns. These amounts are subject to fluctuations in the applicable currency exchange rates.

The Company recognized net losses related to changes in the fair value of undesignated forward foreign currency exchange contracts of \$0.1 million and \$1.5 million, respectively, during the three months and nine months ended December 26, 2015, and net gains of less than \$0.1 million and \$0.2 million, respectively, during the three months and nine months ended December 27, 2014, within foreign currency gains (losses) in the Company's consolidated statement of operations.

11. Shareholders' Equity

Share Repurchase Program

On October 30, 2014, the Company's Board of Directors authorized a \$1.0 billion share repurchase program, which authorized the repurchase of the Company's shares for a period of two years. On May 20, 2015, the Company's Board of Directors authorized the repurchase of up to an additional \$500.0 million under the Company's existing share repurchase program and extended the program through May 2017. On November 3, 2015, the Company's Board of Directors authorized a further increase in the share repurchase program of up to an additional \$ 500.0 million of the Company's ordinary shares and extended the program through March 2018. During the nine months ended December 26, 2015 and December 27, 2014, the Company repurchased 21,066,858 shares and 631,297 shares, respectively, at a cost of \$950.0 million and \$44.9 million, respectively, under its share-repurchase program through open market transactions. As of December 26, 2015, the remaining availability under the Company's share repurchase program was \$558.1 million.

On November 14, 2014, the Company entered into a \$355.0 million accelerated share repurchase program (the "ASR program") with a major financial institution (the "ASR Counterparty") to repurchase the Company's ordinary shares. Under the ASR program, the Company paid \$355.0 million to the ASR Counterparty and received 4,437,516 of its ordinary shares from the ASR Counterparty, which represents 100% of the shares expected to be purchased pursuant to the ASR program, based on an initial share price determination. The ASR program also contained a forward contract indexed to the Company's ordinary shares whereby additional shares would be delivered to the Company by January 29, 2015 (the settlement date) if the share price declined from the initial share price, limited to a stated share price "floor." The total number of shares repurchased/acquired is determined on final settlement, with the additional shares reacquired based on the volume-weighted average price of the Company's ordinary shares, less a discount, during the repurchase period, subject to aforementioned price floor (with no additional cash payment required). The ASR program was accounted for as a treasury stock repurchase, reducing the number of ordinary shares outstanding as of December 27, 2014 by 4,437,516 shares initially repurchased. The forward contract was accounted for as an equity instrument.

The Company also has in place a "withhold to cover" repurchase program, which allows the Company to withhold ordinary shares from certain executive officers to satisfy minimum tax withholding obligations relating to the vesting of their restricted share awards. During the nine month periods ended December 26, 2015 and December 27, 2014, the Company withheld 54,875 shares and 40,787 shares, respectively, at a cost of \$2.4 million and \$3.3 million, respectively, in satisfaction of minimum tax withholding obligations relating to the vesting of restricted share awards.

12. Accumulated Other Comprehensive Income

The following table details changes in the components of accumulated other comprehensive income, net of taxes for the nine month periods ended December 26, 2015 and December 27, 2014, respectively (in thousands):

	Foreign Currency Translation (Losses) Gains	Net Gains (Losses) on Derivatives (1)	Total Accumulated Other Comprehensive (Loss) Income
Balance at March 29, 2014	\$ (4,775)	\$ (1,598)	\$ (6,373)
Other comprehensive (loss) income before reclassifications	(46,824)	13,891	(32,933)
Less: net gains reclassified from AOCI to earnings (2)	—	564	564
Other comprehensive (loss) income net of tax	(46,824)	13,327	(33,497)
Balance at December 27, 2014	<u>\$ (51,599)</u>	<u>\$ 11,729</u>	<u>\$ (39,870)</u>
Balance at March 28, 2015	\$ (96,068)	\$ 29,264	\$ (66,804)
Other comprehensive loss before reclassifications	(7,771)	(15,933)	(23,704)
Less: net gains reclassified from AOCI to earnings (2)	—	7,367	7,367
Other comprehensive loss, net of tax	(7,771)	(23,300)	(31,071)
Balance at December 26, 2015	<u>\$ (103,839)</u>	<u>\$ 5,964</u>	<u>\$ (97,875)</u>
Less: other comprehensive income attributable to noncontrolling interest	40	—	40
Other comprehensive (loss) income attributable to MKHL	<u>\$ (103,879)</u>	<u>\$ 5,964</u>	<u>\$ (97,915)</u>

(1) Accumulated other comprehensive income balance related to net gains on derivative financial instruments as of December 26, 2015 and March 28, 2015 is net of tax provisions of \$0.7 million and \$3.3 million, respectively. Other comprehensive income (loss) before reclassifications related to derivative financial instruments for the nine months ended December 26, 2015 and December 27, 2014 is net of tax benefit of \$1.8 million and tax provision of \$ 1.7 million, respectively.

(2) Reclassified amounts relate to the Company's forward foreign currency exchange contracts for inventory purchases and are recorded within cost of goods sold in the Company's consolidated statements of operations. The amounts reclassified from other comprehensive income for the three months and nine months ended December 26, 2015 are net of tax provisions of \$0.6 million and \$0.8 million, respectively, which are recorded within income tax expense in the Company's consolidated statements of operations. The related tax effects recorded in the prior year periods were not material.

13. Share-Based Compensation

The Company issues equity grants to certain employees and directors of the Company at the discretion of the Company's Compensation Committee. The Company has two equity plans, one adopted in Fiscal 2008, the Michael Kors (USA), Inc. Stock Option Plan (as amended and restated, the "2008 Plan"), and the other adopted in the third fiscal quarter of Fiscal 2012, the Michael Kors Holdings Limited Omnibus Incentive Plan (the "2012 Plan"). The 2008 Plan only provided for grants of share options and was authorized to issue up to 23,980,823 ordinary shares. As of December 26, 2015, there were no shares available to grant equity awards under the 2008 Plan. The 2012 Plan allows for grants of share options, restricted shares and restricted share units, and other equity awards, and authorizes a total issuance of up to 15,246,000 ordinary shares. At December 26, 2015, there were 9,229,040 ordinary shares available for future grants of equity awards under the 2012 Plan. Option grants issued from the 2008 Plan generally expire ten years from the date of the grant, and those issued under the 2012 Plan generally expire seven years from the date of the grant.

Share Options

Share options are generally exercisable at no less than the fair market value on the date of grant. The Company has issued two types of option grants, those that vest based on the attainment of a performance target and those that vest based on the passage of time. Performance-based share options may vest based upon the attainment of one of two performance measures. One performance measure is an individual performance target, which is based upon certain performance targets unique to the individual grantee, and the other measure is a company-wide performance target, which is based on a cumulative minimum growth requirement in consolidated net equity. The individual performance target vests 20% of the total option grant each year the target is satisfied. The individual has ten years in which to achieve five individual performance vesting tranches. The company-wide performance target must be achieved over the ten-year term. Performance is measured at the end of the term, and any unvested options vest if the target is achieved. The Company-wide performance target is established at the time of the grant. The target metrics underlying individual performance vesting requirements are established for each recipient each year up until such time as the grant is fully vested. Options subject to time-based vesting requirements become vested in four equal increments on each of the first, second, third and fourth anniversaries of the date on which such options were awarded.

The following table summarizes the share option activity during the nine months ended December 26, 2015 :

	Number of Options	Weighted Average Exercise Price
Outstanding at March 28, 2015	7,187,003	\$ 23.14
Granted	515,430	\$ 47.07
Exercised	(901,528)	\$ 7.11
Canceled/forfeited	(217,637)	\$ 50.50
Outstanding at December 26, 2015	<u>6,583,268</u>	<u>\$ 26.31</u>

The weighted average grant date fair value for options granted during the three and nine month periods ended December 26, 2015 was \$11.92 and \$14.35 , respectively, and for the three and nine month periods ended December 27, 2014 was \$22.25 and \$28.09 respectively.

The following table represents assumptions used to estimate the fair value of options:

	Three Months Ended		Nine Months Ended	
	December 26 2015	December 27 2014	December 26 2015	December 27 2014
Expected dividend yield	0.0%	0.0%	0.0%	0.0%
Volatility factor	30.8%	32.8%	31.1%	33.2%
Weighted average risk-free interest rate	1.3%	1.5%	1.6%	1.5%
Expected life of option	4.75 years	4.75 years	4.75 years	4.75 years

Restricted Shares and Restricted Share Units

The Company grants restricted shares and restricted share units at the fair market value on the date of the grant. Expense for restricted share awards is based on the closing market price of the Company's shares on the date of grant and is recognized ratably over the vesting period, which is generally three to four years from the date of the grant, net of expected forfeitures.

Restricted share grants generally vest in equal increments on each of the four anniversaries of the date of grant. In addition, the Company grants two types of restricted share unit ("RSU") awards: time-based RSUs and performance-based RSUs. Time-based RSUs generally vest in full either on the first anniversary of the date of the grant, or in equal increments on each of the four anniversaries of the date of grant. Performance-based RSUs vest in full on the three-year anniversary of the date of grant, subject to the employee's continued employment during the vesting period and only if certain pre-established cumulative performance targets are met at the end of the three-year performance period. Expense related to performance-based RSUs is recognized ratably over the three-year performance period, net of forfeitures, based on the probability of attainment of the related performance targets. The potential number of shares that may be earned ranges between 0% , if the minimum level of performance is not attained, and 150% , if the level of performance is at or above the pre-determined maximum achievement level.

The following table summarizes the restricted share activity during the nine months ended December 26, 2015 :

	Restricted Shares	
	Number of Unvested Restricted Shares	Weighted Average Grant Date Fair Value
Unvested at March 28, 2015	770,592	\$ 68.77
Granted	—	\$ —
Vested	(324,705)	\$ 50.50
Canceled/forfeited	(42,519)	\$ 80.63
Unvested at December 26, 2015	403,368	\$ 82.22

The following table summarizes the restricted share unit activity during the nine months ended December 26, 2015 :

	Service-based		Performance-based	
	Number of Restricted Share Units	Weighted Average Grant Date Fair Value	Number of Restricted Share Units	Weighted Average Grant Date Fair Value
Unvested at March 28, 2015	35,940	\$ 66.26	317,201	\$ 76.69
Granted	1,026,055	\$ 46.41	287,476	\$ 47.10
Vested	(12,659)	\$ 56.28	—	\$ —
Canceled/forfeited	(36,427)	\$ 47.67	(21,551)	\$ 80.74
Unvested at December 26, 2015	1,012,909	\$ 46.94	583,126	\$ 61.95

Share-Based Compensation Expense

The following table summarizes compensation expense attributable to share-based compensation for the three months and nine months ended December 26, 2015 and December 27, 2014 (in thousands):

	Three Months Ended		Nine Months Ended	
	December 26, 2015	December 27, 2014	December 26, 2015	December 27, 2014
Share-based compensation expense	\$ 12,841	\$ 11,866	\$ 38,705	\$ 33,445
Tax benefits related to share-based compensation expense	\$ 4,311	\$ 4,420	\$ 13,067	\$ 12,264

Forfeitures are estimated at the time of grant and revised, if necessary, in subsequent periods if actual forfeitures differ from those estimates. The Company estimates forfeitures based on its historical forfeiture rate to date. The estimated value of future forfeitures for equity grants as of December 26, 2015 is approximately \$1.8 million .

14. Segment Information

The Company operates its business through three operating segments—Retail, Wholesale and Licensing—which are based on its business activities and organization. The operating segments are segments of the Company for which separate financial information is available and for which operating results are evaluated regularly by executive management in deciding how to allocate resources, as well as in assessing performance. The primary key performance indicators are net sales or revenue (in the case of Licensing) and operating income for each segment. The Company's reportable segments represent channels of distribution that offer similar merchandise, customer experience and sales/marketing strategies. The Company's Retail segment includes sales through the Company owned stores, including "Collection," "Lifestyle" including "concessions," and outlet stores located throughout the Americas (U.S., Canada and Latin America), Europe, and Japan, as well as the Company's e-commerce sales. Products sold through the Retail segment include women's apparel, accessories (which include handbags and small leather goods such as wallets), men's apparel, footwear and licensed products, such as watches, jewelry, fragrances and beauty, and eyewear. The Wholesale segment includes sales primarily to major department stores and specialty shops throughout the Americas, Europe and Asia. Products sold through the Wholesale segment include accessories (which include handbags and small leather goods such

as wallets), footwear and women's and men's apparel. We also have wholesale arrangements pursuant to which we sell products to certain of our licensees, including our licensees in Asia (which were previously reported within our Americas wholesale operations). The Licensing segment includes royalties earned on licensed products and use of the Company's trademarks, and rights granted to third parties for the right to sell the Company's products in certain geographic regions such as the Middle East, Eastern Europe, throughout all of Asia (excluding Japan), as well as Australia. All intercompany revenues are eliminated in consolidation and are not reviewed when evaluating segment performance. Corporate overhead expenses are allocated to the segments based upon specific usage or other allocation methods.

The Company has allocated \$13.3 million, \$8.0 million and \$1.9 million of its recorded \$23.2 million goodwill as of December 26, 2015 to its Wholesale, Retail and Licensing segments, respectively. See Note 3 for goodwill recorded upon the Company's acquisition of controlling interest in MK Panama during the second quarter of Fiscal 2016. As of March 28, 2015, the Company's goodwill balance of \$14.0 million was allocated \$12.1 million and \$1.9 million to the Company's Wholesale and Licensing segments, respectively. The Company does not have identifiable assets separated by segment.

The following table presents the key performance information of the Company's reportable segments (in thousands):

	Three Months Ended		Nine Months Ended	
	December 26, 2015	December 27, 2014	December 26, 2015	December 27, 2014
Revenue:				
Net sales: Retail	\$ 766,225	\$ 689,388	\$ 1,822,340	\$ 1,665,209
Wholesale	575,453	573,838	1,553,426	1,494,723
Licensing	55,801	51,500	137,669	130,553
Total revenue	\$ 1,397,479	\$ 1,314,726	\$ 3,513,435	\$ 3,290,485
Income from operations:				
Retail	\$ 212,856	\$ 214,928	\$ 433,689	\$ 484,951
Wholesale	160,269	170,487	423,459	444,811
Licensing	36,183	33,062	73,869	71,044
Income from operations	\$ 409,308	\$ 418,477	\$ 931,017	\$ 1,000,806

Depreciation and amortization expense for each segment are as follows (in thousands):

	Three Months Ended		Nine Months Ended	
	December 26, 2015	December 27, 2014	December 26, 2015	December 27, 2014
Depreciation and amortization:				
Retail	\$ 27,308	\$ 22,414	\$ 80,798	\$ 62,401
Wholesale	17,383	15,007	50,897	37,505
Licensing	323	71	1,036	648
Total depreciation and amortization	\$ 45,014	\$ 37,492	\$ 132,731	\$ 100,554

Total revenue (as recognized based on country of origin), and long-lived assets by geographic location of the consolidated Company are as follows (in thousands):

	Three Months Ended		Nine Months Ended	
	December 26, 2015	December 27, 2014	December 26, 2015	December 27, 2014
Revenue:				
The Americas (U.S., Canada and L. America) ⁽¹⁾	\$ 1,062,016	\$ 1,057,281	\$ 2,627,526	\$ 2,578,396
Europe	275,992	241,415	736,176	664,836
Asia	59,471	16,030	149,733	47,253
Total revenue	\$ 1,397,479	\$ 1,314,726	\$ 3,513,435	\$ 3,290,485

	As of	
	December 26, 2015	March 28, 2015
Long-lived assets:		
The Americas (U.S., Canada and Latin America) ⁽¹⁾	\$ 518,488	\$ 443,816
Europe	263,173	169,243
Asia	24,565	11,416
Total Long-lived assets	\$ 806,226	\$ 624,475

⁽¹⁾ Net revenues earned in the U.S. were \$997.7 million and \$2.469 billion, respectively, during the three months and nine months ended December 26, 2015 and were \$998.5 million and \$2.426 billion, respectively, during the three months and nine months ended December 27, 2014. Long-lived assets located in the U.S. as of December 26, 2015 and March 28, 2015 were \$483.1 million and \$418.8 million, respectively.

15. Agreements with Shareholders and Related Party Transactions

The Company's Chief Creative Officer, Michael Kors, and the Company's Chief Executive Officer, John Idol, have an ownership interest in Michael Kors Far East Holdings Limited, a BVI company. On April 1, 2011, the Company entered into certain licensing agreements with certain subsidiaries of Michael Kors Far East Holdings Limited (the "Licensees"), which provide the Licensees with certain exclusive rights for use of the Company's trademarks within China, Hong Kong, Macau and Taiwan, and to import, sell, advertise and promote certain of the Company's products in these regions, as well as to own and operate stores which bear the Company's tradenames. The agreements between the Company and the Licensees expire on March 31, 2041, and may be terminated by the Company at certain intervals if certain minimum sales benchmarks are not met. Royalties earned under these agreements were approximately \$2.0 million and \$5.3 million, respectively, during the three months and nine months ended December 26, 2015, and \$1.2 million and \$3.1 million, respectively, during the three months and nine months ended December 27, 2014. These royalties were driven by Licensee sales (of the Company's goods) to their customers of approximately \$45.4 million and \$120.3 million, respectively, during the three months and nine months ended December 26, 2015, and \$28.2 million and \$70.2 million, respectively, during the three months and nine months ended December 27, 2014. In addition, the Company sells certain inventory items to the Licensees through its wholesale segment at terms consistent with those of similar licensees in the region. During the three months and nine months ended December 26, 2015, amounts recognized as net sales in the Company's consolidated statements of operations and comprehensive income related to these sales were approximately \$19.1 million and \$49.1 million, respectively, and were \$12.4 million and \$24.8 million, respectively, during the three months and nine months ended December 27, 2014. As of December 26, 2015 and March 28, 2015, the Company's total accounts receivable from this related party were \$17.6 million and \$6.5 million, respectively.

Upon consolidation of MK Panama during the second quarter of Fiscal 2016, the Company's balance sheet reflects a \$2.0 million long-term loan between EBISA, the Company's partner in the MK Panama joint venture, and Rosales Development Corp. There is a family relationship between EBISA and Rosales Development Corp. The loan was initiated on November 25, 2014 and bears interest at an annual rate of interest of 5.0%.

Beginning in the third quarter of Fiscal 2016, an executive officer of our Company shares a household with an employee of one of our suppliers of fixtures for our shop-in-shops, retail stores and showrooms, and therefore, such employee may be deemed to be an immediate family member of the executive officer for purposes of federal securities laws. During the three months and nine months ended December 26, 2015, purchases from this supplier reflected in the Company's consolidated financial statements were \$ 2.7 million and \$ 3.2 million, respectively, and were \$ 0.3 million and \$ 0.5 million, respectively, during the three months and nine months ended December 27, 2014. Amounts payable to this supplier as of December 26, 2015 and March 28, 2015 were \$ 2.3 million and less than \$0.1 million, respectively.

16. Non-cash Investing Activities

Significant non-cash investing activities during the nine months ended December 26, 2015 included \$15.5 million of non-cash consideration comprised of liabilities owed to the Company, which were converted into additional equity interest in MK Panama. Significant non-cash investing activities also included the non-cash allocation of the fair value of the net assets acquired in connection with the Company obtaining controlling interest in MK Panama. See Note 3 for additional information.

There were no other significant non-cash investing or financing activities during the fiscal periods presented.

17. Subsequent Events

On January 1, 2016, the Company acquired direct control of its previously licensed business in South Korea upon the related license expiration. In connection with the acquisition, the Company acquired certain net assets (including inventory and fixed assets) from the Company's former licensee in exchange for cash consideration of approximately \$3.6 million. The Company will account for this acquisition as a business combination and will consolidate the South Korean business into its operations beginning with the fourth quarter of Fiscal 2016. The Company is in the process of finalizing the related purchase price allocation and accounting.

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

The following Management's Discussion and Analysis ("MD&A") of our Financial Condition and Results of Operations should be read in conjunction with the consolidated financial statements and notes thereto included as part of this interim report. This discussion contains forward-looking statements that are based upon current expectations. We sometimes identify forward-looking statements with such words as "may," "expect," "anticipate," "estimate," "seek," "intend," "believe" or similar words concerning future events. The forward-looking statements contained herein, include, without limitation, statements concerning future revenue sources and concentration, gross profit margins, selling and marketing expenses, capital expenditures, general and administrative expenses, capital resources, new stores, additional financings or borrowings and additional losses and are subject to risks and uncertainties including, but not limited to, those discussed in this report that could cause actual results to differ materially from the results contemplated by these forward-looking statements. We also urge you to carefully review the risk factors set forth under "Risk Factors" in our Annual Report on Form 10-K (File No. 001-35368), filed on May 27, 2015, with the Securities and Exchange Commission.

Overview***Our Business***

We are a growing global luxury lifestyle brand led by a world-class management team and a renowned, award-winning designer. Since launching his namesake brand over 30 years ago, Michael Kors has featured distinctive designs, materials and craftsmanship with a jet-set aesthetic that combines stylish elegance and a sporty attitude. Mr. Kors' vision has taken the Company from its beginnings as an American luxury sportswear house to a global accessories, footwear and apparel company with a presence in over 100 countries. As a highly recognized luxury lifestyle brand in North America, with accelerating awareness in targeted international markets, we have experienced sales momentum and intend to continue along this course as we grow our business.

We operate our business in three segments—retail, wholesale and licensing—and we have a strategically controlled global distribution network focused on company-operated retail stores, leading department stores, specialty stores and select licensing partners. As of December 26, 2015, our retail segment included 392 retail stores in the Americas (including concessions), 231 international retail stores (including concessions) throughout Europe and Japan and our e-commerce sites in the United States ("U.S.") and Canada. As of December 26, 2015, our wholesale segment included wholesale sales through approximately 1,567 department store doors and 904 specialty store doors in the Americas and wholesale sales through approximately 1,285 specialty store doors and 256 department store doors internationally. Our remaining revenue is generated through our licensing segment, through which we license to third parties certain production, sales and/or distribution rights. During the nine months ended December 26, 2015, our licensing segment accounted for approximately 3.9% of our total revenue and consisted of royalties earned on licensed products and our geographic licenses.

We offer two primary collections: the *Michael Kors* luxury collection and the *MICHAEL Michael Kors* accessible luxury collection. The *Michael Kors* collection establishes the aesthetic authority of our entire brand and is carried by many of our retail stores, our e-commerce sites, as well as in the finest luxury department stores in the world. In 2004, we introduced the *MICHAEL Michael Kors* collection, which has a strong focus on accessories, in addition to offering footwear and apparel, and addresses the significant demand opportunity in accessible luxury goods. Taken together, our two collections target a broad customer base while retaining a premium luxury image.

Certain Factors Affecting Financial Condition and Results of Operations

Establishing brand identity and enhancing global presence. We intend to continue to increase our international presence and global brand recognition through the formation of various joint ventures with international partners, and continuing with our international licensing arrangements. We feel this is an efficient method for continued penetration into the global luxury goods market, especially for markets where we have yet to establish a substantial presence. In addition, our growth strategy includes assuming direct control of certain international operations, which allows us to better manage our growth opportunities in the related regions. During the second quarter of Fiscal 2016, we made additional capital contributions to our Latin American joint venture, MK (Panama) Holdings, S.A. and subsidiaries ("MK Panama"), obtaining a 75% controlling interest in MK Panama. As such, we began to consolidate MK Panama into our operations beginning with the second quarter of Fiscal 2016 (see Note 3 to the accompanying consolidated financial statements for additional information). In addition, on January 1, 2016, we assumed direct control over the previously licensed business in South Korea.

Demand for Our Accessories and Related Merchandise . Our performance is affected by trends in the luxury goods industry, as well as shifts in demographics and changes in lifestyle preferences. While the accessible luxury retail and wholesale industry has been recently challenged by lower consumer traffic trends, promotional selling environment resulting from a channel shift, a decrease in tourist travel, restrained consumer spending, and other factors, we expect that our products will continue to be desired by our end-consumers.

Currency fluctuation and the Strengthening U.S. Dollar . Our consolidated operations are impacted by the relationships between our reporting currency, the U.S. dollar, and those of our non-U.S. subsidiaries whose functional/local currency is other than the U.S. dollar. The recent decline in the value of the Euro relative to the U.S. Dollar has impacted the conversion of the results of our European operations, as they are reported, which represent approximately 20% and 21% , respectively, of our consolidated revenue for the three months and nine month periods ended December 26, 2015 . During the three months and nine months ended December 26, 2015 , the Euro experienced declines in value relative to the U.S. Dollar of approximately 12% and 16%, respectively, compared to the same prior year periods. In addition, during the three months and nine months ended December 26, 2015 , our results have been negatively impacted by declines of approximately 15% and 14%, respectively, in the Canadian Dollar and declines of approximately 6% and 13%, respectively, in Japanese Yen relative to the U.S. Dollar, compared to the same prior year period. We believe that these trends may continue for the remainder of the Fiscal 2016.

Disruptions in shipping and distribution . Our operations are subject to the impact of shipping disruptions as a result of changes or damage to our distribution infrastructure, as well as due to external factors. During the fourth quarter of Fiscal 2015, our U.S. third party operated e-commerce fulfillment center was impacted by structural damage, which resulted in shipping delays to consumers who ordered merchandise through our e-commerce website. In addition, we were impacted by the work slowdowns and stoppages resulting from the labor dispute at the U.S. west coast ports during our Fiscal 2015, which created a backlog of containers at the ports and resulted in inventory delivery delays, which continued into Fiscal 2016. Any future disruptions could have a negative impact on our results of operations.

Costs of Manufacturing . Our industry is subject to volatility in costs related to certain raw materials used in the manufacturing of our products. This volatility applies primarily to costs driven by commodity prices, which can increase or decrease dramatically over a short period of time. These fluctuations may have a material impact on our sales, results of operations and cash flows to the extent they occur. We use commercially reasonable efforts to mitigate these effects by sourcing our products as efficiently as possible. In addition, manufacturing labor costs are also subject to degrees of volatility based on local and global economic conditions. We use commercially reasonable efforts to source from localities that suit our manufacturing standards and result in more favorable labor driven costs to our products.

Critical Accounting Policies

The preparation of financial statements in conformity with accounting principles generally accepted in the U.S. (“U.S. GAAP”) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of revenue and expenses during the reporting period. Critical accounting policies are those that are the most important to the portrayal of our financial condition and results of operations, and that require our most difficult, subjective and complex judgments to make estimates about the effect of matters that are inherently uncertain. In applying such policies, we must use certain assumptions that are based upon our informed judgments, assessments of probability and best estimates. Estimates, by their nature, are subjective and are based upon analysis of available information, including historical factors, current circumstances and the experience and judgment of management. Our critical accounting policies are disclosed in full in the MD&A section of our Fiscal 2015 Annual Report on Form 10-K. There have been no significant changes in our critical accounting policies since March 28, 2015.

Segment Information

We generate revenue through three business segments: retail, wholesale and licensing. The following table presents our revenue and income from operations by segment for the three and nine months ended December 26, 2015 and December 27, 2014 (in thousands):

	Three Months Ended		Nine Months Ended	
	December 26, 2015	December 27, 2014	December 26, 2015	December 27, 2014
Revenue:				
Net sales: Retail	\$ 766,225	\$ 689,388	\$ 1,822,340	\$ 1,665,209
Wholesale	575,453	573,838	1,553,426	1,494,723
Licensing	55,801	51,500	137,669	130,553
Total revenue	\$ 1,397,479	\$ 1,314,726	\$ 3,513,435	\$ 3,290,485
Income from operations:				
Retail	\$ 212,856	\$ 214,928	\$ 433,689	\$ 484,951
Wholesale	160,269	170,487	423,459	444,811
Licensing	36,183	33,062	73,869	71,044
Income from operations	\$ 409,308	\$ 418,477	\$ 931,017	\$ 1,000,806

Retail

We sell our products, as well as licensed products bearing our name, directly to the end consumer through our retail stores and concessions throughout the Americas, Europe, and Japan, as well as through our e-commerce sites, including our U.S. e-commerce platform launched in September 2014 and our e-commerce site in Canada launched in April 2015. We have four primary retail store formats: collection stores, lifestyle stores, outlet stores and e-commerce. Our collection stores are located in highly prestigious shopping areas, while our lifestyle stores are located in well-populated commercial shopping locations and leading regional shopping centers. Our outlet stores, which are generally in outlet centers, extend our reach to additional consumer groups. In addition to these three retail store formats, we operate concessions in a select number of department stores in the Americas, Europe and Japan.

The following table presents the growth in our network of retail stores for the three and nine months ended December 26, 2015 and December 27, 2014 :

	Three Months Ended		Nine Months Ended	
	December 26, 2015	December 27, 2014	December 26, 2015	December 27, 2014
Full price retail stores including concessions:				
Number of stores	455	359	455	359
Increase during period	28	30	82	80
Percentage increase vs. prior year	26.7%	32.0%	26.7%	32.0%
Total gross square footage	1,099,622	806,612	1,099,622	806,612
Average square footage per store	2,417	2,247	2,417	2,247
Outlet stores:				
Number of stores	168	150	168	150
Increase during period	6	6	15	24
Percentage increase vs. prior year	12.0%	22.0%	12.0%	22.0%
Total gross square footage	617,546	495,057	617,546	495,057
Average square footage per store	3,676	3,300	3,676	3,300

The following table presents our retail stores by geographic location:

	As of	
	December 26, 2015	December 27, 2014
Store count by region:		
The Americas	392	337
Europe	171	125
Japan	60	47
Total	623	509

Wholesale

We sell our products directly to department stores primarily located across the Americas and Europe to accommodate consumers who prefer to shop at major department stores. In addition, we sell to specialty stores for those consumers who enjoy the boutique experience afforded by such stores. We also have wholesale arrangements pursuant to which we sell products to certain of our licensees, including our licensees in Asia (which were previously reported within our Americas wholesale operations). We continue to focus our sales efforts and drive sales in existing locations by enhancing presentation, primarily through the creation of more shop-in-shops with our proprietary fixtures that effectively communicate our brand and create a more personalized shopping experience for consumers. We tailor our assortments through wholesale product planning and allocation processes to better match the demands of our department store customers in each local market.

The following table presents the increase (decrease) in our network of wholesale doors during the three and nine months ended December 26, 2015 and December 27, 2014 :

	Three Months Ended		Nine Months Ended	
	December 26, 2015	December 27, 2014	December 26, 2015	December 27, 2014
Number of full-price wholesale doors	4,012	3,980	4,012	3,980
Increase (decrease) during period	19	20	(26)	252
Percentage increase vs. prior year	0.8%	10.6%	0.8%	10.6%

Licensing

We generate revenue through product and geographic licensing arrangements. Our product license agreements allow third parties to use our brand name and trademarks in connection with the manufacturing and sale of a variety of products, including watches, fragrances and beauty, eyewear and jewelry. In our product licensing arrangements, we take an active role in the design process, marketing and distribution of products under our brands. Our geographic licensing arrangements allow third parties to use our tradenames in connection with the retail and/or wholesale sales of our branded products in specific geographic regions. On January 1, 2016, our licensing agreement in South Korea expired and we acquired direct control of the related retail and wholesale operations.

Key Performance Indicators and Statistics

We use a number of key indicators of operating results to evaluate our performance, including the following (dollars in thousands):

	Three Months Ended		Nine Months Ended	
	December 26, 2015	December 27, 2014	December 26, 2015	December 27, 2014
Total revenue	\$ 1,397,479	\$ 1,314,726	\$ 3,513,435	\$ 3,290,485
Gross profit as a percent of total revenue	59.5 %	60.9%	59.8 %	61.3%
Income from operations	\$ 409,308	\$ 418,477	\$ 931,017	\$ 1,000,806
Retail net sales - the Americas	\$ 589,551	\$ 551,840	\$ 1,371,114	\$ 1,296,398
Retail net sales - Europe	\$ 151,173	\$ 121,518	\$ 383,741	\$ 321,558
Retail net sales - Japan	\$ 25,501	\$ 16,030	\$ 67,485	\$ 47,253
(Decrease) increase in comparable store net sales	(0.9)%	8.6%	(5.6)%	15.4%
Wholesale net sales - the Americas	\$ 440,051	\$ 476,239	\$ 1,175,316	\$ 1,203,960
Wholesale net sales - Europe	\$ 101,432	\$ 97,599	\$ 295,862	\$ 290,763
Wholesale net sales - Asia	\$ 33,970	\$ —	\$ 82,248	\$ —

General Definitions for Operating Results

Net sales consist of sales from comparable retail stores and non-comparable retail stores, net of returns and markdowns, as well as those made to our wholesale customers, net of returns, discounts, markdowns and allowances.

Comparable store sales include sales from a store or e-commerce site that has been operating for one full year after the end of the first month of its operations. For stores that are closed, sales that were made in the final month of their operations (assuming closure prior to the fiscal month's end), are excluded from the calculation of comparable store sales. Additionally, sales for stores that are either relocated, or expanded by a square footage of 25% or greater, in any given fiscal year, are also excluded from the calculation of comparable store sales at the time of their move or interruption, until such stores have been in their new location, or are operating under their new size/capacity, for at least one full year after the end of the first month of their relocation or expansion. All comparable store sales are presented on a 52-week basis. Beginning with the first quarter of Fiscal 2016, comparable store sales are reported on a global basis, which better represents management's view of our Company as an expanding global business.

Constant currency effects are non-U.S. GAAP financial measures, which are provided to supplement our reported operating results to facilitate comparisons of our operating results and trends in our business, excluding the effects of foreign currency rate fluctuations. Because we are a global Company, foreign currency exchange rates may have a significant effect on our reported results. We calculate constant currency measures and the related foreign currency impacts by translating the current-year's reported amounts into comparable amounts using prior year's foreign exchange rates for each currency. All constant currency performance measures discussed below should be considered a supplement to and not in lieu of our operating performance measures calculated in accordance with U.S. GAAP.

Licensing revenue consists of fees charged on sales of licensed products to our licensees as well as contractual royalty rates for the use of our trademarks in certain geographic territories.

Cost of goods sold includes the cost of inventory sold, freight-in on merchandise and foreign currency exchange gains/losses related to forward contracts for purchase commitments. All retail store operating and occupancy costs are included in *Selling, general and administrative expenses* (see below), and as a result our cost of goods sold may not be comparable to that of other entities that have chosen to include some or all of those expenses as a component of their cost of goods sold.

Gross profit is total revenue (net sales plus licensing revenue) minus cost of goods sold. As a result of retail store operating and occupancy costs being excluded from our cost of goods sold, our gross profit may not be comparable to that of other entities that have chosen to include some or all of those expenses as a component of their gross profit.

Selling, general and administrative expenses consist of warehousing and distribution costs, rent for our distribution centers, store payroll, store occupancy costs (such as rent, common area maintenance, store pre-opening, real estate taxes and utilities), information technology and systems costs, corporate payroll and related benefits, advertising and promotion expense and other general expenses.

Depreciation and amortization includes depreciation and amortization of fixed and definite-lived intangible assets.

Income from operations consists of gross profit minus total operating expenses.

Other (income) expense, net includes proceeds received related to our anti-counterfeiting efforts and equity income or loss earned on our joint venture (prior to obtaining controlling interest in MK Panama). Future amounts may include any miscellaneous activities not directly related to our operations.

Interest expense, net represents interest and fees on our revolving credit facilities and letters of credit (see "Liquidity and Capital Resources" for further detail on our credit facilities), as well as amortization of deferred financing costs, offset by interest earned on highly liquid investments (investments purchased with an original maturity of three months or less, classified as cash equivalents).

Foreign currency losses includes net gains or losses related to the mark-to-market (fair value) on our forward currency contracts not designated as accounting hedges and unrealized income or loss from the re-measurement of monetary assets and liabilities denominated in currencies other than the functional currencies of our subsidiaries.

Noncontrolling interest represents the portion of the equity ownership in MK Panama, which is not attributable to the Company. On June 28, 2015, the Company obtained a controlling interest in MK Panama and began to consolidate its financial results in the Company's operations.

Results of Operations

Comparison of the three months ended December 26, 2015 with the three months ended December 27, 2014

The following table details the results of our operations for the three months ended December 26, 2015 and for the three months ended December 27, 2014, and expresses the relationship of certain line items to total revenue as a percentage (dollars in thousands):

	Three Months Ended				% of Total Revenue for the Three Months Ended	
	December 26, 2015	December 27, 2014	\$ Change	% Change	December 26, 2015	December 27, 2014
Statements of Operations Data:						
Net sales	\$ 1,341,678	\$ 1,263,226	\$ 78,452	6.2 %		
Licensing revenue	55,801	51,500	4,301	8.4 %		
Total revenue	1,397,479	1,314,726	82,753	6.3 %		
Cost of goods sold	565,509	514,583	50,926	9.9 %	40.5 %	39.1%
Gross profit	831,970	800,143	31,827	4.0 %	59.5 %	60.9%
Selling, general and administrative expenses	377,648	344,174	33,474	9.7 %	27.0 %	26.2%
Depreciation and amortization	45,014	37,492	7,522	20.1 %	3.2 %	2.9%
Total operating expenses	422,662	381,666	40,996	10.7 %	30.2 %	29.0%
Income from operations	409,308	418,477	(9,169)	(2.2)%	29.3 %	31.8%
Other (income) expense, net	(54)	188	(242)	(128.7)%	— %	—%
Interest expense	632	116	516	444.8 %	— %	—%
Foreign currency losses	136	1,163	(1,027)	(88.3)%	— %	0.1%
Income before provision for income taxes	408,594	417,010	(8,416)	(2.0)%	29.2 %	31.7%
Provision for income taxes	114,398	113,335	1,063	0.9 %	8.2 %	8.6%
Net income	294,196	303,675	(9,479)	(3.1)%		
Less: Net loss attributable to noncontrolling interest	(390)	—	(390)	NM		
Net income attributable to MKHL	\$ 294,586	\$ 303,675	\$ (9,089)	(3.0)%		

NM Not meaningful

Total Revenue

Total revenue increased \$ 82.8 million, or 6.3%, to \$ 1.397 billion for the three months ended December 26, 2015, compared to \$ 1.315 billion for the three months ended December 27, 2014, which included unfavorable foreign currency effects of \$47.1 million, primarily related to the weakening of the Euro and the Canadian Dollar against the U.S. Dollar during the three months ended December 26, 2015 as compared to the same prior year period. On a constant currency basis, our total revenue increased \$ 129.8 million, or 9.9%. The increase in our revenues was due to an increase in our non-comparable retail store sales.

The following table details revenues for our three business segments (dollars in thousands):

	Three Months Ended			% Change		% of Total Revenue for the Three Months Ended	
	December 26, 2015	December 27, 2014	\$ Change	As Reported	Constant Currency	December 26, 2015	December 27, 2014
Revenue:							
Net sales: Retail	\$ 766,225	\$ 689,388	\$ 76,837	11.1%	15.7%	54.8%	52.4%
Wholesale	575,453	573,838	1,615	0.3%	3.0%	41.2%	43.7%
Licensing	55,801	51,500	4,301	8.4%	8.4%	4.0%	3.9%
Total revenue	\$ 1,397,479	\$ 1,314,726	\$ 82,753	6.3%	9.9%		

Retail

Net sales from our retail stores increased \$ 76.8 million , or 11.1% , to \$766.2 million the three months ended December 26, 2015 , compared to \$689.4 million for the three months ended December 27, 2014 , which included unfavorable foreign currency effects of \$31.2 million . On a constant currency basis, net sales from our retail stores increased \$108.0 million , or 15.7% . We operated 623 retail stores, including concessions, as of December 26, 2015 , compared to 509 retail stores, including concessions, as of December 27, 2014 .

During the three months ended December 26, 2015 , our comparable store sales declined \$ 5.2 million , or 0.9% , which included unfavorable foreign currency effects of \$17.3 million . Our comparable store sales benefited approximately 380 basis points from the inclusion of the U.S. e-commerce sales in comparable store sales during the third quarter of Fiscal 2016. On a constant currency basis, our comparable store sales increased \$12.1 million, or 2.0% , reflecting higher comparable store sales across all of our major geographies. The increase in our comparable store sales primarily reflected increased sales of accessories, partially offset by lower sales of apparel, watches and jewelry during the three months ended December 26, 2015 compared to the three months ended December 27, 2014 .

Our non-comparable store sales increased \$82.0 million during the three months ended December 26, 2015 , which included unfavorable foreign currency effects of \$13.9 million . On a constant currency basis, our non-comparable store sales increased \$95.9 million, which was primarily attributable to operating 114 additional stores since December 27, 2014 .

Wholesale

Net sales to our wholesale customers increased \$1.6 million , or 0.3% , to \$575.5 million for the three months ended December 26, 2015 , compared to \$573.8 million for the three months ended December 27, 2014 , which included unfavorable foreign currency effects of \$15.9 million . On a constant currency basis, our wholesale net sales increased \$ 17.5 million , or 3.0% , primarily driven by increased sales from our footwear product line during the three months ended December 26, 2015 , compared to the three months ended December 27, 2014 .

Licensing

Royalties earned on our licensing agreements increased \$4.3 million , or 8.4% , to \$55.8 million for the three months ended December 26, 2015 , compared to \$51.5 million for the three months ended December 27, 2014 . This increase was primarily attributable to higher revenues earned on licensing agreements related to sales of jewelry and eyewear, as well as higher international licensing revenues, partially offset by lower licensing revenues related to the sale of watches.

Gross Profit

Gross profit increased \$ 31.8 million , or 4.0% , to \$832.0 million for the three months ended December 26, 2015 , compared to \$800.1 million for the three months ended December 27, 2014 , which included unfavorable foreign currency effects of \$31.2 million . Gross profit as a percentage of total revenue declined 140 basis points to 59.5% during the three months ended December 26, 2015 , compared to 60.9% during the three months ended December 27, 2014 . This decrease was attributable to gross profit margin declines of 310 basis points from our retail segment and 50 basis points from our wholesale segment, which included unfavorable foreign currency translation effects of 20 basis points and 30 basis points, respectively. Excluding the effect of foreign currency, the decrease in gross profit margins from our retail segment was primarily attributable to an increase in promotional activity during the three months ended December 26, 2015 , as compared to the three months ended December 27, 2014 . The remaining decline in gross profit margin for our wholesale segment was primarily attributable to an increase in wholesale allowances during the three-months ended December 26, 2015 , as compared to the three months ended December 27, 2014 .

Total Operating Expenses

Total operating expenses increased \$41.0 million , or 10.7% , to \$422.7 million during the three months ended December 26, 2015 , compared to \$381.7 million for the three months ended December 27, 2014 . Our operating expenses included a net favorable foreign currency impact of approximately \$18.7 million . Total operating expenses increased to 30.2% as a percentage of total revenue for the three months ended December 26, 2015 , compared to 29.0% for the three months ended December 27, 2014 . The components that comprise total operating expenses are explained below.

Selling, General and Administrative Expenses

Selling, general and administrative expenses increased \$ 33.5 million , or 9.7% , to \$377.6 million during the three months ended December 26, 2015 , compared to \$ 344.2 million for the three months ended December 27, 2014 . The increase in selling, general and administrative expenses was primarily due to the following:

- an increase of \$27.4 million in retail store-related costs, including \$11.9 million in occupancy costs and \$8.3 million in compensation-related costs, primarily attributable to operating 623 retail stores versus 509 retail stores in the prior year period; and
- an increase in corporate employee-related costs of \$5.3 million, primarily due to an increase in our corporate staff to support our global growth.

Selling, general and administrative expenses as a percentage of total revenue increased to 27.0% during the three months ended December 26, 2015 , compared to 26.2% for the three months ended December 27, 2014 . The increase as a percentage of total revenue was primarily due to the increase in our retail store costs, partially offset by lower corporate overhead costs as a percentage of revenue during the three months ended December 26, 2015 , as compared to the three months ended December 27, 2014 .

Depreciation and Amortization

Depreciation and amortization increased \$ 7.5 million , or 20.1% , to \$45.0 million during the three months ended December 26, 2015 , compared to \$ 37.5 million for the three months ended December 27, 2014 , primarily due to an increase in build-out of our new retail stores, new shop-in-shop locations, increase in lease rights related to our new European stores and investments in our corporate facilities and our information systems infrastructure to accommodate our growth. Depreciation and amortization increased to 3.2% as a percentage of total revenue during the three months ended December 26, 2015 , compared to 2.9% for the three months ended December 27, 2014 .

Income from Operations

As a result of the foregoing, income from operations declined \$9.2 million , or 2.2% , to \$409.3 million during the three months ended December 26, 2015 , compared to \$418.5 million for the three months ended December 27, 2014 , which included unfavorable foreign currency effects of \$12.5 million . Income from operations as a percentage of total revenue declined to 29.3% during the three months ended December 26, 2015 , compared to 31.8% for the three months ended December 27, 2014 .

The following table details income from operations for our three business segments (dollars in thousands):

	Three Months Ended				% of Net Sales/ Revenue for the Three Months Ended	
	December 26, 2015	December 27, 2014	\$ Change	% Change	December 26, 2015	December 27, 2014
Income from operations:						
Retail	\$ 212,856	\$ 214,928	\$ (2,072)	(1.0)%	27.8%	31.2%
Wholesale	160,269	170,487	(10,218)	(6.0)%	27.9%	29.7%
Licensing	36,183	33,062	3,121	9.4 %	64.8%	64.2%
Income from operations	\$ 409,308	\$ 418,477	\$ (9,169)	(2.2)%	29.3%	31.8%

Retail

Income from operations for our retail segment decreased \$2.1 million , or 1.0% , to \$212.9 million during the three months ended December 26, 2015 , compared to \$214.9 million for the three months ended December 27, 2014 . Income from operations as a percentage of net retail sales declined by approximately 340 basis points to 27.8% during the three months ended December 26, 2015 . The decrease in retail income from operations as a percentage of net retail sales was primarily due to the decrease in gross profit margin, as previously discussed, as well as an increase in operating expenses as a percentage of net retail sales of approximately 30 basis points during the three months ended December 26, 2015 , as compared to the three months ended December 27, 2014 . The increase in operating expenses as a percentage of net retail sales was largely attributable to increased retail store-related costs and higher depreciation expense primarily attributable to new store openings, largely offset by lower distribution and corporate allocated expenses as a percentage of retail net sales.

Wholesale

Income from operations for our wholesale segment decreased \$10.2 million , or 6.0% , to \$160.3 million during the three months ended December 26, 2015 , compared to \$170.5 million for the three months ended December 27, 2014 . Income from operations as a percentage of net wholesale sales decreased approximately 180 basis points to 27.9% during the three months ended December 26, 2015 . The decrease in wholesale income from operations as a percentage of wholesale net sales was primarily due to an increase in operating expenses as a percentage of net wholesale sales of approximately 130 basis points, which was primarily due to increased distribution costs, selling costs and depreciation expenses, partially offset by lower corporate allocated expenses. The decrease in wholesale income from operations as a percentage of wholesale net sales was also attributable to a lower wholesale gross profit margin, as previously discussed.

Licensing

Income from operations for our licensing segment increased \$3.1 million , or 9.4% , to \$36.2 million during the three months ended December 26, 2015 , compared to \$33.1 million for the three months ended December 27, 2014 . Income from operations as a percentage of licensing revenue increased approximately 60 basis points to 64.8% during the three months ended December 26, 2015 . The increase in licensing income from operations as a percentage of licensing revenue was due to lower operating expenses, including advertising costs, partially offset by increased costs related to protection of our intellectual property during the three months ended December 26, 2015 , as compared to the three months ended December 27, 2014 .

Foreign Currency Losses

We recognized foreign currency losses of \$0.1 million and \$ 1.2 million , respectively, during the three month periods ended December 26, 2015 and December 27, 2014 . These losses were primarily attributable to mark-to-market of our forward foreign currency contracts not designated as accounting hedges. The foreign currency losses also included gains and losses on the revaluation and settlement of certain of our accounts payable in currencies other than the functional currency of the applicable reporting units, as well as the remeasurement of dollar-denominated intercompany loans with certain of our subsidiaries.

Provision for Income Taxes

We recognized \$114.4 million of income tax expense during the three months ended December 26, 2015 , compared to \$ 113.3 million for the three months ended December 27, 2014 . Our effective tax rate for the three months ended December 26, 2015 , was 28.0% , compared to 27.2% for the three months ended December 27, 2014 . The increase in our effective tax rate was primarily due to the absence of the prior-year favorable settlement of certain instruments in connection with our international income tax structuring, partially offset by the increase in taxable income in certain of our non-U.S. subsidiaries (predominantly European operations), which are subject to lower statutory income tax rates and state tax benefits recognized during the three months ended December 26, 2015 . Given that certain of our non-U.S. operations have become consistently profitable, we expect them to continue to favorably impact our consolidated effective tax rate.

Our effective tax rate may fluctuate from time to time due to the effects of changes in U.S. state and local taxes and tax rates in foreign jurisdictions. In addition, factors such as the geographic mix of earnings, enacted tax legislation and the results of various global tax strategies, may also impact our effective tax rate in future periods.

Net Loss Attributable to Noncontrolling Interest

During the three months ended December 26, 2015 , we recorded a net loss attributable to the noncontrolling interest in MK Panama of \$0.4 million . This loss represents the share of MK Panama's income that is not attributable to the Company.

Net Income Attributable to MKHL

As a result of the foregoing, our net income attributable to MKHL declined \$ 9.1 million , or 3.0% , to \$294.6 million during the three months ended December 26, 2015 , compared to \$303.7 million for the three months ended December 27, 2014 , which included unfavorable foreign currency effects of \$11.2 million .

Results of Operations

Comparison of the nine months ended December 26, 2015 with the nine months ended December 27, 2014

The following table details the results of our operations for the nine months ended December 26, 2015 and for the nine months ended December 27, 2014, and expresses the relationship of certain line items to total revenue as a percentage (dollars in thousands):

	Nine Months Ended		\$ Change	% Change	% of Total Revenue for the Nine Months Ended	
	December 26, 2015	December 27, 2014			December 26, 2015	December 27, 2014
Statements of Operations Data:						
Net sales	\$ 3,375,766	\$ 3,159,932	\$ 215,834	6.8 %		
Licensing revenue	137,669	130,553	7,116	5.5 %		
Total revenue	3,513,435	3,290,485	222,950	6.8 %		
Cost of goods sold	1,413,401	1,273,682	139,719	11.0 %	40.2%	38.7 %
Gross profit	2,100,034	2,016,803	83,231	4.1 %	59.8%	61.3 %
Selling, general and administrative expenses	1,036,286	915,443	120,843	13.2 %	29.5%	27.8 %
Depreciation and amortization	132,731	100,554	32,177	32.0 %	3.8%	3.1 %
Total operating expenses	1,169,017	1,015,997	153,020	15.1 %	33.3%	30.9 %
Income from operations	931,017	1,000,806	(69,789)	(7.0)%	26.5%	30.4 %
Other expense (income), net	840	(1,161)	2,001	(172.4)%	—%	— %
Interest expense, net	1,116	147	969	NM	—%	— %
Foreign currency losses	2,255	4,711	(2,456)	(52.1)%	0.1%	0.1 %
Income before provision for income taxes	926,806	997,109	(70,303)	(7.1)%	26.4%	30.3 %
Provision for income taxes	265,437	298,728	(33,291)	(11.1)%	7.6%	9.1 %
Net income	661,369	698,381	(37,012)	(5.3)%		
Less: Net loss attributable to noncontrolling interest	(708)	—	(708)	NM		
Net income attributable to MKHL	\$ 662,077	\$ 698,381	\$ (36,304)	(5.2)%		

NM Not meaningful

Total Revenue

Total revenue increased \$ 223.0 million, or 6.8%, to \$ 3.513 billion for the nine months ended December 26, 2015, compared to \$ 3.290 billion for the nine months ended December 27, 2014, which included unfavorable foreign currency effects of \$159.8 million primarily related to the weakening of the Euro, the Canadian Dollar and the Japanese Yen against the U.S. Dollar during the nine months ended December 26, 2015 as compared to the same prior year period. On a constant currency basis, our total revenue increased \$382.7 million, or 11.6%. The increase in our revenues was primarily due to an increase in our non-comparable retail store sales and wholesale sales, partially offset by lower comparable retail store sales.

The following table details revenues for our three business segments (dollars in thousands):

	Nine Months Ended			% Change		% of Total Revenue for the Nine Months Ended	
	December 26, 2015	December 27, 2014	\$ Change	As Reported	Constant Currency	December 26, 2015	December 27, 2014
Revenue:							
Net sales: Retail	\$ 1,822,340	\$ 1,665,209	\$ 157,131	9.4%	15.5%	51.9%	50.6%
Wholesale	1,553,426	1,494,723	58,703	3.9%	7.9%	44.2%	45.4%
Licensing	137,669	130,553	7,116	5.5%	5.5%	3.9%	4.0%
Total revenue	\$ 3,513,435	\$ 3,290,485	\$ 222,950	6.8%	11.6%		

Retail

Net sales from our retail stores increased \$ 157.1 million , or 9.4% , to \$1.822 billion for the nine months ended December 26, 2015 , compared to \$1.665 billion for the nine months ended December 27, 2014 , which included unfavorable foreign currency effects of \$100.7 million . On a constant currency basis, net sales from our retail stores increased \$257.8 million, or 15.5% . We operated 623 stores, including concessions, as of December 26, 2015 , compared to 509 retail stores, including concessions, as of December 27, 2014 .

During the nine months ended December 26, 2015 , our comparable store sales declined \$ 78.3 million , or 5.6% , which included unfavorable foreign currency effects of \$56.4 million . Our comparable store sales reflected a 160 basis point favorable impact from the inclusion of U.S. e-commerce sales in comparable store sales during the third quarter of Fiscal 2016. On a constant currency basis, our comparable store sales declined \$ 21.9 million , or 1.6% , primarily driven by lower comparable store sales from our retail business in the Americas, partially offset by increased comparable store sales from our international businesses. The decline in our comparable store sales primarily reflected lower sales of watches, apparel, and jewelry, partially offset by increased sales of accessories during the nine months ended December 26, 2015 compared to the nine months ended December 27, 2014 .

Our non-comparable store sales increased \$ 235.4 million during the nine months ended December 26, 2015 , which included unfavorable foreign currency effects of \$44.3 million. On a constant currency basis, our non-comparable store sales increased \$279.7 million. Approximately 81% of this sales growth was attributable to operating 114 additional stores since December 27, 2014 and approximately 19% was attributable to non-comparable sales from our e-commerce sites in the Americas, which included our U.S. e-commerce store sales through the second quarter of Fiscal 2016.

Wholesale

Net sales to our wholesale customers increased \$58.7 million , or 3.9% , to \$1.553 billion for the nine months ended December 26, 2015 , compared to \$1.495 billion for the nine months ended December 27, 2014 , which included unfavorable foreign currency effects of \$59.1 million. On a constant currency basis, our wholesale net sales increased \$117.8 million, or 7.9% . The increase in our wholesale net sales was primarily driven by increased sales from our accessories, womenswear and footwear product lines during the nine months ended December 26, 2015 , as compared to the nine months ended December 27, 2014 .

Licensing

Royalties earned on our licensing agreements increased \$7.1 million , or 5.5% , to \$137.7 million for the nine months ended December 26, 2015 , compared to \$130.6 million for the nine months ended December 27, 2014 . This increase was primarily attributable to higher revenues earned on licensing agreements related to the sales of jewelry, eyewear and outerwear, as well as higher international licensing revenues, partially offset by lower licensing revenues related to the sale of watches.

Gross Profit

Gross profit increased \$83.2 million , or 4.1% , to \$2.100 billion for the nine months ended December 26, 2015 , compared to \$2.017 billion for the nine months ended December 27, 2014 , which included unfavorable foreign currency effects of \$107.8 million . Gross profit as a percentage of total revenue declined 150 basis points to 59.8% during the nine months ended December 26, 2015 , compared to 61.3% during the nine months ended December 27, 2014 . This decrease was attributable to gross profit margin declines of 260 basis points from our retail segment and 100 basis points from our wholesale segment. The decrease in gross profit margin from our retail segment was primarily due to an increase in promotional activity during the nine months ended December 26, 2015 , as compared to the nine months ended December 27, 2014 . The decrease in profit margin on our wholesale segment was primarily due to an increase in wholesale allowances during the nine months ended December 26, 2015 , as compared to the nine months ended December 27, 2014 .

Total Operating Expenses

Total operating expenses increased \$153.0 million , or 15.1% , to \$1.169 billion during the nine months ended December 26, 2015 , compared to \$1.016 billion for the nine months ended December 27, 2014 . Our operating expenses included a net favorable foreign currency impact of approximately \$67.4 million . Total operating expenses increased to 33.3% as a percentage of total revenue for the nine months ended December 26, 2015 , compared to 30.9% for the nine months ended December 27, 2014 . The components that comprise total operating expenses are explained below.

Selling, General and Administrative Expenses

Selling, general and administrative expenses increased \$120.8 million , or 13.2% , to \$1.036 billion during the nine months ended December 26, 2015 , compared to \$915.4 million for the nine months ended December 27, 2014 . The increase in selling, general and administrative expenses was primarily due to the following:

- an increase of \$78.4 million in retail store-related costs, including \$38.1 million in occupancy costs, \$18.1 million in compensation-related costs and \$8.7 million in store advertising and promotional spending. This increase was primarily attributable to our growth to 623 retail stores from 509 in the prior year period and operating our e-commerce sites in the Americas for the full nine month period in Fiscal 2016;
- an increase in corporate employee-related costs of \$22.6 million, primarily due to an increase in our corporate staff to support our global growth;
- an increase in selling costs of approximately \$7.4 million, and
- an increase in corporate occupancy-related costs of \$6.5 million.

Selling, general and administrative expenses as a percentage of total revenue increased to 29.5% during the nine months ended December 26, 2015 , compared to 27.8% for the nine months ended December 27, 2014 . The increase as a percentage of total revenue was primarily due to the increase in our retail store and corporate overhead costs during the nine months ended December 26, 2015 , as compared to the nine months ended December 27, 2014 .

Depreciation and Amortization

Depreciation and amortization increased \$32.2 million , or 32.0% , to \$132.7 million during the nine months ended December 26, 2015 , compared to \$100.6 million for the nine months ended December 27, 2014 , primarily due to an increase in build-out of our new retail stores, new shop-in-shop locations, increase in lease rights related to our new European stores and investments in our corporate facilities and our information systems infrastructure to accommodate our growth. Depreciation and amortization increased to 3.8% as a percentage of total revenue during the nine months ended December 26, 2015 , compared to 3.1% for the nine months ended December 27, 2014 .

Income from Operations

As a result of the foregoing, income from operations decreased \$69.8 million or 7.0% , to \$931.0 million during the nine months ended December 26, 2015 , compared to \$1.001 billion for the nine months ended December 27, 2014 , which included unfavorable foreign currency effects of \$40.4 million . Income from operations as a percentage of total revenue declined to 26.5% during the nine months ended December 26, 2015 , compared to 30.4% for the nine months ended December 27, 2014 .

The following table details income from operations for our three business segments (dollars in thousands):

	Nine Months Ended				% of Net Sales/ Revenue for the Nine Months Ended	
	December 26, 2015	December 27, 2014	\$ Change	% Change	December 26, 2015	December 27, 2014
Income from operations:						
Retail	\$ 433,689	\$ 484,951	\$ (51,262)	(10.6)%	23.8%	29.1%
Wholesale	423,459	444,811	(21,352)	(4.8)%	27.3%	29.8%
Licensing	73,869	71,044	2,825	4.0 %	53.7%	54.4%
Income from operations	\$ 931,017	\$ 1,000,806	\$ (69,789)	(7.0)%	26.5%	30.4%

Retail

Income from operations for our retail segment declined \$51.3 million , or 10.6% , to \$433.7 million during the nine months ended December 26, 2015 , compared to \$485.0 million for the nine months ended December 27, 2014 . Income from operations as a percentage of net retail sales declined by approximately 530 basis points to 23.8% during the nine months ended December 26, 2015 . The decrease in retail income from operations as a percentage of net retail sales was primarily due to an increase in operating expenses as a percentage of net retail sales of approximately 270 basis points, as well as due to the decrease in gross profit margin, as previously discussed, during the nine months ended December 26, 2015 , as compared to the nine months ended December 27,

2014. The increase in operating expenses as a percentage of net retail sales was largely due to increased retail store-related costs and higher depreciation expense, primarily attributable to new store openings.

Wholesale

Income from operations for our wholesale segment declined \$21.4 million, or 4.8%, to \$423.5 million during the nine months ended December 26, 2015, compared to \$444.8 million for the nine months ended December 27, 2014. Income from operations as a percentage of net wholesale sales decreased approximately 250 basis points to 27.3% during the nine months ended December 26, 2015. The decrease in wholesale income from operations as a percentage of wholesale net sales was primarily due to a net increase in operating expenses as a percentage of net wholesale sales of approximately 150 basis points, which was largely attributable to increased selling and corporate allocated expenses, as well as increased depreciation expenses. The decrease in wholesale income from operations as a percentage of wholesale net sales was also attributable to a lower wholesale gross profit margin, as previously discussed.

Licensing

Income from operations for our licensing segment increased \$2.8 million, or 4.0%, to \$73.9 million during the nine months ended December 26, 2015, compared to \$71.0 million for the nine months ended December 27, 2014. Income from operations as a percentage of licensing revenue declined approximately 70 basis points to 53.7% during the nine months ended December 26, 2015. The decline in licensing income from operations as a percentage of licensing revenue was due to increased operating expenses as a percentage of licensing revenue during the nine months ended December 26, 2015, as compared to the nine months ended December 27, 2014. This increase in operating expenses as a percentage of licensing revenue was primarily due to increased costs related to protection of our intellectual property and higher depreciation expenses, partially offset by lower advertising costs as a percentage of licensing revenue.

Other Expense (Income), net

During the nine months ended December 26, 2015, other expense of \$0.8 million was primarily comprised of \$0.9 million of losses related to our joint venture, which were recorded under the equity method of accounting prior to obtaining controlling interest in MK Panama during the second quarter of Fiscal 2016. During the nine months ended December 27, 2014, other income of \$1.2 million included \$1.4 million in income related to our anti-counterfeiting efforts, partially offset by a \$0.2 million loss on our joint venture under the equity method of accounting.

Foreign Currency Losses

We recognized foreign currency losses of \$2.3 million and \$4.7 million, respectively, during the nine months ended December 26, 2015 and December 27, 2014. These losses were primarily attributable to mark-to-market of our forward foreign currency contracts not designated as accounting hedges. The foreign currency losses also included gains and losses on the revaluation and settlement of certain of our accounts payable in currencies other than the functional currency of the applicable reporting units, as well as the remeasurement of dollar-denominated intercompany loans with certain of our subsidiaries.

Provision for Income Taxes

We recognized \$265.4 million of income tax expense during the nine months ended December 26, 2015, compared with \$298.7 million for the nine months ended December 27, 2014. Our effective tax rate for the nine months ended December 26, 2015, was 28.6%, compared to 30.0% for the nine months ended December 27, 2014. The decrease in our effective tax rate was primarily due to the increase in taxable income in certain of our non-U.S. subsidiaries (predominantly European operations), which are subject to lower statutory income tax rates, as well as state tax benefits recognized during the nine months ended December 26, 2015.

Net Loss Attributable to Noncontrolling Interest

During the nine months ended December 26, 2015, we recorded a net loss attributable to the noncontrolling interest in MK Panama of \$0.7 million. This loss represents the share of MK Panama's income that is not attributable to the Company.

Net Income Attributable to MKHL

As a result of the foregoing, our net income declined \$36.3 million , or 5.2% , to \$662.1 million during the nine months ended December 26, 2015 , compared to \$698.4 million for the nine months ended December 27, 2014 , which included unfavorable foreign currency effects of \$35.2 million .

Liquidity and Capital Resources

Liquidity

Our primary sources of liquidity are the cash flows generated from our operations, along with borrowings available under our credit facility (see below discussion regarding “Senior Unsecured Revolving Credit Facility”) and available cash and cash equivalents. Our primary use of this liquidity is to fund our ongoing cash requirements, including working capital requirements, global retail store construction, expansion and renovation, construction and renovation of shop-in-shops, investment in information systems infrastructure, expansion of our distribution and corporate facilities, share repurchases and other corporate activities. We believe that the cash generated from our operations, together with borrowings available under our revolving credit facility and available cash and cash equivalents, will be sufficient to meet our working capital needs for the next 12 months, including investments made and expenses incurred in connection with our store growth plans, shop-in-shop growth, investments in corporate and distribution facilities, continued systems development, as well as e-commerce and marketing initiatives. We spent \$290.2 million on capital expenditures during the nine months ended December 26, 2015 , and expect to spend approximately \$100 million on capital expenditures during the remainder of Fiscal 2016.

The following table sets forth key indicators of our liquidity and capital resources (in thousands):

	As of	
	December 26, 2015	March 28, 2015
Balance Sheet Data:		
Cash and cash equivalents	\$ 696,823	\$ 978,922
Working capital ⁽¹⁾	1,238,601	1,663,352
Total assets	2,534,217	2,684,628

⁽¹⁾ As of March 28, 2015, previously classified as current deferred tax assets and liabilities of \$27.7 million and \$3.7 million , respectively, were reclassified to noncurrent in connection with our early adoption of Accounting Standards Update No. 2015-17, " *Income Taxes (Topic 740): Balance Sheet Classification of Deferred Taxes*". See Note 2 to the accompanying consolidated financial statements for additional information.

	Nine Months Ended	
	December 26, 2015	December 27, 2014
Cash Flows Provided By (Used In):		
Operating activities ⁽¹⁾	\$ 960,725	\$ 709,000
Investing activities	(296,498)	(311,823)
Financing activities	(940,659)	(352,975)
Effect of exchange rate changes	(5,667)	(12,566)
Net (decrease) increase in cash and cash equivalents ⁽¹⁾	\$ (282,099)	\$ 31,636

⁽¹⁾ The above cash flow information for the nine months ended December 27, 2014 reflects the reclassification of credit card receivable balances of \$53.0 million and \$16.0 million as of December 27, 2014 and March 28, 2015 respectively, from accounts receivable to cash and cash equivalents to conform to the current-period presentation.

Cash Provided by Operating Activities

Cash provided by operating activities increased \$251.7 million to \$960.7 million during the nine months ended December 26, 2015 , as compared to \$709.0 million for the nine months ended December 27, 2014 . The increase in cash flows from operating

activities is primarily due to an increase related to changes in our working capital, primarily due to the timing of cash payments, cash collections and inventory receipts, as well as higher net income after non-cash adjustments.

Cash Used in Investing Activities

Net cash used in investing activities decreased \$15.3 million to \$296.5 million during the nine months ended December 26, 2015, as compared to \$311.8 million during the nine months ended December 27, 2014. The increase in cash was primarily due to a \$16.7 million decline in cash used in connection with lease rights (key money) for new stores and \$4.1 million increase in cash in connection with our acquisition of controlling interest in MK Panama during the nine months ended December 26, 2015, which was previously accounted for as an equity method investment. These increases in cash from investing activities were partially offset by increased capital expenditures of \$7.5 million as a result of the build-out of our new retail stores and shop-in-shops, as well as investments in our information technology, distribution system enhancements, corporate offices and various other improvements to our infrastructure.

Cash Used in Financing Activities

Net cash used in financing activities was \$940.7 million and \$353.0 million, respectively, for the nine months ended December 26, 2015 and December 27, 2014. The \$587.7 million decline in cash from financing activities was primarily attributable to increased cash payments of \$549.1 million in connection with the repurchase of our ordinary shares, as well as a \$33.0 million decline in proceeds from our share option arrangements.

Revolving Credit Facility

Senior Unsecured Revolving Credit Facility

On October 29, 2015, we entered into an amended and restated senior unsecured revolving credit facility ("2015 Credit Facility") with, among others, JPMorgan Chase Bank, N.A. ("JPMorgan Chase"), as administrative agent, which replaced our existing 2013 senior unsecured revolving credit facility ("2013 Credit Facility"). The Company and a U.S., Canadian, Dutch and Swiss subsidiary are the borrowers under the 2015 Credit Facility. The borrowers and certain of our material subsidiaries provide unsecured guarantees of the 2015 Credit Facility. The 2015 Credit Facility provides for up to \$1.0 billion in borrowings, which may be denominated in U.S. Dollars and other currencies, including Euros, Canadian Dollars, Pounds Sterling, Japanese Yen and Swiss Francs. The 2015 Credit Facility also provides for the issuance of letters of credit of up to \$75.0 million and swing line loans of up to \$50.0 million. We have the ability to expand our borrowing availability under the 2015 Credit Facility by up to an additional \$500.0 million, subject to the agreement of the participating lenders and certain other customary conditions. The 2015 Credit Facility expires on October 29, 2020.

Borrowings under the 2015 Credit Facility bear interest, at our option, at (i) for loans denominated in U.S. Dollars, an alternative base rate, which is the greater of the prime rate publicly announced from time to time by JPMorgan Chase, the greater of the federal funds effective rate or Federal Reserve Bank of New York overnight bank funding rate plus 50 basis points or the one-month London Interbank Offered Rate adjusted for statutory reserve requirements for Eurocurrency liabilities ("Adjusted LIBOR") plus 100 basis points, in each case, plus an applicable margin based on our leverage ratio; (ii) Adjusted LIBOR for the applicable interest period, plus an applicable margin based on our leverage ratio; (iii) for Canadian borrowings, the Canadian prime rate, which is the greater of the PRIMCAN Index rate or the rate applicable to one-month Canadian Dollar banker's acceptances quoted on Reuters ("CDOR") plus 100 basis points, plus an applicable margin based on our leverage ratio; or (iv) for Canadian borrowings, the average CDOR rate for the applicable interest period, plus an applicable margin based on our leverage ratio.

The 2015 Credit Facility also provides for an annual administration fee and a commitment fee equal to 0.10% to 0.175% per annum, based on our leverage ratio, applied to the average daily unused amount of the facility. Loans under the 2015 Credit Facility may be prepaid and commitments may be terminated or reduced by the borrowers without premium or penalty other than customary "breakage" costs with respect to loans bearing interest based upon Adjusted LIBOR or the CDOR rate.

The 2015 Credit Facility requires us to maintain a leverage ratio at the end of each fiscal quarter of no greater than 3.5 to 1. Such leverage ratio is calculated as the ratio of the sum of total indebtedness as of the date of the measurement plus 6.0 times the consolidated rent expense for the last four consecutive fiscal quarters, to Consolidated EBITDAR for the last four consecutive fiscal quarters. Consolidated EBITDAR is defined as consolidated net income plus income tax expense, net interest expense, depreciation and amortization expense, consolidated rent expense and other non-cash charges, subject to certain deductions. The 2015 Credit Facility also includes covenants that limit additional indebtedness, guarantees, liens, acquisitions and other investments

and cash dividends that are customary for financings of this type. As of December 26, 2015, the Company was in compliance with all covenants related to this agreement.

As of December 26, 2015 and March 28, 2015, there were no borrowings outstanding under the 2015 Credit Facility or the prior 2013 Credit Facility. As of December 26, 2015, there were stand-by letters of credit of \$10.5 million outstanding under the 2015 Credit Facility. As of December 26, 2015, the amount available for future borrowings was \$989.5 million.

Debt Obligations of MK Panama

During the second quarter of Fiscal 2016, we obtained controlling interest in MK Panama and began to consolidate its financial results into our operations. Our consolidated balance sheet as of December 26, 2015 includes MK Panama's long-term debt obligations of \$4.0 million (see Note 3 and Note 7 to the accompanying consolidated financial statements for additional information).

Share Repurchase Program

On October 30, 2014, our Board of Directors authorized a \$1.0 billion share repurchase program for a period of two years. On May 20, 2015, our Board of Directors authorized the repurchase of up to an additional \$500.0 million under our existing share repurchase program and extended the program through May 2017. On November 3, 2015, our Board of Directors authorized a further increase in the share repurchase program of up to an additional \$500 million of our ordinary shares and extended the program through March 2018. During the nine month periods ended December 26, 2015 and December 27, 2014, we repurchased 21,066,858 shares and 631,297 shares, respectively, at a cost of \$950.0 million and \$44.9 million, respectively, under our share-repurchase program through open market transactions. As of December 26, 2015, the remaining availability under our share repurchase program was \$558.1 million.

On November 14, 2014, we entered into a \$355.0 million accelerated share repurchase program (the "ASR program") with a major financial institution (the "ASR Counterparty") to repurchase our ordinary shares. Under the ASR program, we paid \$355.0 million to the ASR Counterparty and received 4,437,516 of our ordinary shares from the ASR Counterparty, which represents 100% of the shares expected to be purchased pursuant to the ASR program, based on an initial share price determination. The ASR program also contained a forward contract indexed to our ordinary shares whereby additional shares would be delivered to us by January 29, 2015 (the settlement date) if the share price declined from the initial share price, limited to a stated share price "floor." The total number of shares repurchased/acquired is determined on final settlement, with the additional shares reacquired based on the volume-weighted average price of our ordinary shares, less a discount, during the repurchase period, subject to aforementioned price floor (with no additional cash payment required). The ASR program was accounted for as a treasury stock repurchase, reducing the number of ordinary shares outstanding as of December 27, 2014 by 4,437,516 shares initially repurchased. The forward contract was accounted for as an equity instrument.

We also have in place a "withhold to cover" repurchase program, which allows us to withhold ordinary shares from certain executive officers to satisfy minimum tax withholding obligations relating to the vesting of their restricted share awards. During the nine month periods ended December 26, 2015 and December 27, 2014, we withheld 54,875 shares and 40,787 shares, respectively, at a cost of \$2.4 million and \$3.3 million, respectively, in satisfaction of minimum tax withholding obligations relating to the vesting of restricted share awards.

Contractual Obligations and Commercial Commitments

As of December 26, 2015, our lease commitments were as follows (in millions):

Fiscal year ending	Remainder of Fiscal 2016	Fiscal 2017-2018	Fiscal 2019-2020	Fiscal 2021 and Thereafter	Total
Operating leases	\$ 53.1	\$ 427.2	\$ 407.0	\$ 846.0	\$ 1,733.3

Refer to the "Contractual Obligations and Commercial Commitments" disclosure within the "Liquidity and Capital Resources" section of our Fiscal 2015 Form 10-K for a detailed disclosure of our other contractual obligations and commitments as of March 28, 2015.

Off-Balance Sheet Arrangements

We have not created, and are not party to, any special-purpose or off-balance sheet entities for the purpose of raising capital, incurring debt or operating our business. In addition to the commitments in the above table, our off-balance sheet commitments relating to our outstanding letters of credit were \$11.0 million at December 26, 2015, including \$0.5 million in letters of credit issued outside of the 2015 Credit Facility. We do not have any other off-balance sheet arrangements or relationships with entities that are not consolidated into our financial statements that have or are reasonably likely to have a material current or future effect on our financial condition, changes in financial condition, revenues, expenses, results of operations, liquidity, capital expenditures or capital resources.

Recent Accounting Pronouncements

See Note 2 to the accompanying interim consolidated financial statements for recently issued accounting standards, which may have an impact on our financial statements and/or disclosures upon adoption.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are exposed to certain market risks during the normal course of our business, such as risk arising from fluctuations in foreign currency exchange rates, as well as fluctuations in interest rates. In attempts to manage these risks, we employ certain strategies to mitigate the effect of these fluctuations. We enter into foreign currency forward contracts to manage our foreign currency exposure to the fluctuations of certain foreign currencies. The use of these instruments primarily helps to manage our exposure to our foreign purchase commitments and better control our product costs. We do not use derivatives for trading or speculative purposes.

Foreign Currency Exchange Risk

We are exposed to risks on certain purchase commitments to foreign suppliers based on the value of our purchasing subsidiaries local currency relative to the currency requirement of the supplier on the date of the commitment. As such, we enter into forward currency exchange contracts that generally mature in 12 months or less and are consistent with the related purchase commitments. These contracts are recorded at fair value in our consolidated balance sheets as either an asset or liability, and are derivative contracts to hedge cash flow risks. Certain of these contracts are designated as hedges for hedge accounting purposes, while certain of these contracts, currently a relatively small portion, are not designated as hedges for accounting purposes. Accordingly, the changes in the fair value of the majority of these contracts at the balance sheet date are recorded in our equity as a component of accumulated other comprehensive income, and upon maturity (settlement) are recorded in, or reclassified into, our cost of goods sold or operating expenses, in our consolidated statement of operations, as applicable to the transactions for which the forward currency exchange contracts were established. For those contracts which are designated as hedges for accounting purposes, any portion of those contracts deemed ineffective would be charged to earnings, in the period the ineffectiveness was determined.

We perform a sensitivity analysis on our forward currency contracts, both designated and not designated as hedges for accounting purposes, to determine the effects of fluctuations in foreign currency exchange rates. For this sensitivity analysis, we assume a hypothetical change in U.S. dollar against foreign exchange rates. Based on all foreign currency exchange contracts outstanding as of December 26, 2015, a 10% appreciation or devaluation of the U.S. dollar compared to the level of foreign currency exchange rates for currencies under contract as of December 26, 2015, would result in a net increase or decrease of approximately \$24.2 million in the fair value of these contracts.

Interest Rate Risk

We are exposed to interest rate risk in relation to our 2015 Credit Facility. Our 2015 Credit Facility carries interest rates that are tied to LIBOR and the prime rate, among other institutional lending rates (depending on the particular origination of borrowing), and therefore our statements of operations and cash flows are exposed to changes in those interest rates. At December 26, 2015 and March 28, 2015, there were no balances outstanding on our 2015 Credit Facility and the prior 2013 Credit Facility, which is not indicative of future balances under the 2015 Credit Facility that may be subject to fluctuations in interest rates. Any increases in the applicable interest rate(s) would cause an increase to the interest expense on our 2015 Credit Facility relative to any outstanding balance at that date.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

An evaluation was performed under the supervision and with the participation of our management, including our Chief Executive Officer, or CEO, and Chief Financial Officer, or CFO, of the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15(d)-15(e) under the Securities and Exchange Act of 1934 (the “Exchange Act”)) as of December 26, 2015. This evaluation was performed based on the criteria set forth in *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), the 2013 Framework. Based on this assessment, our CEO and CFO concluded that our disclosure controls and procedures as of December 26, 2015 are effective to ensure that information required to be disclosed by us in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified by the Securities and Exchange Commission’s rules and forms, and is accumulated and communicated to our management, including our CEO and CFO, to allow timely decisions regarding required disclosures.

Changes in Internal Control over Financial Reporting

There have been no changes in our internal control over financial reporting during the three months ended December 26, 2015 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II — OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

None.

ITEM 1A. RISK FACTORS

Please refer to our Annual Report on Form 10-K for the fiscal year ended March 28, 2015, for a detailed discussion of certain risk factors that could materially adversely affect the Company's business, operating results and/or financial condition. There are no material changes to the risk factors previously disclosed, except as noted below, nor has the Company identified any previously undisclosed risks that could materially adversely affect the Company's business, operating results and/or financial condition.

We face risks associated with operating in international markets and our strategy to continue to expand internationally.

We operate on a global basis, with approximately 26.2% of our total revenue from operations outside of the U.S. during Fiscal 2015. As a result, we are subject to the risks of doing business internationally, including political and economic instability in foreign countries, laws, regulations and policies of foreign governments, potential negative consequences from changes in taxation policies, political or civil unrest, acts of terrorism, military actions or other conditions. Economic instability and unsettled regional and global conflicts may negatively affect consumer spending by foreign tourists and local consumers in the various regions where we operate, which could adversely affect our revenues and results of operations. We also sell our products at varying retail price points based on geographic location that yield different gross profit margins, and we achieve different operating profit margins, depending on geographic region, due to a variety of factors including product mix, store size, occupancy costs, labor costs and retail pricing. Changes in any one or more of these factors could result in lower revenues, increased costs, and negatively impact our business, financial condition and operating results.

We face additional risks with respect to our strategy to expand internationally, including our efforts to further grow and expand our operations in Europe, Asia and Latin America. On January 1, 2016, we transitioned the previously licensed business in South Korea to a wholly owned operation. We may not be able to successfully integrate the business of any licensee that we acquire into our own business or achieve any expected cost savings or synergies from such integration. Furthermore, we may have difficulty integrating any new or reacquired businesses into our operations, hiring and retaining qualified key employees, or otherwise successfully managing such expansion. In addition, on June 28, 2015, we obtained a controlling interest in our joint venture in Latin America (MK Panama) causing us to consolidate this joint venture into our operations beginning with the second quarter of Fiscal 2016. As a result of our controlling interest in MK Panama, we may incur additional charges which could negatively affect our operating results or financial condition, and we may not realize a satisfactory return on our investment. Our joint venture also exposes us to risks to the extent that our joint venture partner may have economic or business interests or goals that are inconsistent with ours; take actions contrary to our policies or objectives; experience financial or other difficulties; or be unable or unwilling to fulfill their obligations under the joint venture agreement, any of which could negatively impact our business, financial condition and operating results.

Finally, there are some countries where we do not yet have significant operating experience, and in most of these countries we face established competitors with significantly more operating experience in those locations. Many countries have different operational characteristics, including, but not limited to, employment and labor, transportation, logistics, real estate (including lease terms) and local reporting or legal requirements. Furthermore, consumer demand and behavior, as well as tastes and purchasing trends may differ in these countries and, as a result, sales of our product may not be successful, or the margins on those sales may not be in line with those we currently anticipate. In addition, in many of these countries there is significant competition to attract and retain experienced and talented employees. If our international expansion plans are unsuccessful, it could have a material adverse effect on our business, financial condition and operating results.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

(c) Issuer Purchases of Equity Securities

On October 30, 2014, the Company's Board of Directors authorized a \$1.0 billion share repurchase program, which authorized the repurchase of the Company's shares for a period of two years. On May 20, 2015, the Company's Board of Directors authorized the repurchase of up to an additional \$500.0 million under the Company's existing share repurchase program and extended the program through May 2017. On November 3, 2015, the Company's Board of Directors authorized a further increase in the share repurchase program of up to an additional \$500.0 million of the Company's ordinary shares and extended the program through March 2018. The Company also has in place a "withhold to cover" repurchase program, which allows the Company to withhold ordinary shares from certain executive officers to satisfy minimum tax withholding obligations relating to the vesting of their restricted share awards.

The following table provides information of the Company's ordinary shares repurchased during the three months ended December 26, 2015 :

	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares (or Units) Purchased as Part of Publicly Announced Plans or Programs	Maximum Number (or Approximated Dollar Value) of Shares (or Units) That May Yet Be Purchased Under the Plans or Programs
September 27-October 24	723	\$ 41.66	—	\$ 258,051,227
October 25-November 21	—	\$ —	—	\$ 258,051,227
November 22-December 26	4,713,733	\$ 42.70	4,682,121	\$ 558,054,655
	<u>4,714,456</u>	<u>\$ 42.70</u>	<u>4,682,121</u>	

ITEM 6. EXHIBITS

a. Exhibits

See accompanying Exhibit Index included after the signature page of this report for a list of exhibits filed or furnished with this report.

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 on February 3, 2016 .

MICHAEL KORS HOLDINGS LIMITED

By: /s/ John D. Idol

Name: John D. Idol

Title: Chairman & Chief Executive Officer

By: /s/ Joseph B. Parsons

Name: Joseph B. Parsons

Title: Executive Vice President, Chief Financial Officer, Chief Operating Officer and Treasurer

INDEX TO EXHIBITS

<u>Exhibit No.</u>	<u>Description</u>
10.1	Amended and Restated Credit Agreement, dated as of October 29, 2015, by and among Michael Kors (USA), Inc., as borrower and guarantor, Michael Kors Holdings Limited, as borrower and guarantor, the Foreign Subsidiary Borrowers from time to time party thereto, certain other subsidiaries of Michael Kors Holdings Limited from time to time party thereto as Guarantors, the Lenders party thereto, JPMorgan Chase Bank, N.A., as Administrative Agent and Co-Syndication Agent, Citibank, N.A., as Co-Syndication Agent, Bank of America, N.A., as Co-Documentation Agent, and U.S. Bank National Association, as Co-Documentation Agent.
31.1	Certification of Chief Executive Officer pursuant to Section 302 of Sarbanes Oxley Act of 2002.
31.2	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.1	The following financial information from the Company's Quarterly Report on Form 10-Q for the period ended December 26, 2015, formatted in eXtensible Business Reporting Language: (i) Condensed Consolidated Balance Sheets, (ii) Consolidated Statements of Operations and Comprehensive Income, (iii) Consolidated Statements of Shareholders' Equity, (iv) Consolidated Statements of Cash Flows, and (v) Notes to Consolidated Financial Statements.

J.P. Morgan

AMENDED AND RESTATED CREDIT AGREEMENT

dated as of

October 29, 2015

among

MICHAEL KORS (USA), INC.
MICHAEL KORS HOLDINGS LIMITED

The Foreign Subsidiary Borrowers Party Hereto

The Guarantors Party Hereto

The Lenders Party Hereto

JPMORGAN CHASE BANK, N.A.
as Administrative Agent

JPMORGAN CHASE BANK, N.A. and CITIBANK, N.A.
as Co-Syndication Agents

BANK OF AMERICA, N.A. and U.S. BANK NATIONAL ASSOCIATION
as Co-Documentation Agents

and

HSBC BANK USA, NATIONAL ASSOCIATION, THE BANK OF TOKYO-MITSUBISHI UFJ, LTD., CAPITAL ONE, NATIONAL ASSOCIATION and
WELLS FARGO BANK, NATIONAL ASSOCIATION
as Senior Managing Agents

J.P. MORGAN SECURITIES LLC and CITIGROUP GLOBAL MARKETS INC.,
as Joint Bookrunners

J.P. MORGAN SECURITIES LLC, CITIGROUP GLOBAL MARKETS INC.,
MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED and
U.S. BANK NATIONAL ASSOCIATION
as Joint Lead Arrangers

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- Exhibit A – Form of Assignment and Assumption
- Exhibit B – **[Intentionally Omitted]**
- Exhibit C – Form of Increasing Lender Supplement
- Exhibit D – Form of Augmenting Lender Supplement
- Exhibit E – List of Closing Documents
- Exhibit F-1 – Form of Borrowing Subsidiary Agreement
- Exhibit F-2 – Form of Borrowing Subsidiary Termination
- Exhibit G – Form of Guaranty
- Exhibit H-1 – Form of U.S. Tax Certificate (Foreign Lenders That Are Not Partnerships)
- Exhibit H-2 – Form of U.S. Tax Certificate (Foreign Participants That Are Not Partnerships)
- Exhibit H-3 – Form of U.S. Tax Certificate (Foreign Participants That Are Partnerships)
- Exhibit H-4 – Form of U.S. Tax Certificate (Foreign Lenders That Are Partnerships)
- Exhibit I-1 – Form of Borrowing Request
- Exhibit I-2 – Form of Interest Election Request
- Exhibit J – Form of Note

AMENDED AND RESTATED CREDIT AGREEMENT (this “Agreement”) dated as of October 29, 2015 among MICHAEL KORS (USA), INC., MICHAEL KORS HOLDINGS LIMITED, the FOREIGN SUBSIDIARY BORROWERS from time to time party hereto, the GUARANTORS from time to time party hereto, the LENDERS from time to time party hereto, JPMORGAN CHASE BANK, N.A., as Administrative Agent, JPMORGAN CHASE BANK, N.A. and CITIBANK, N.A., as Co-Syndication Agents, and BANK OF AMERICA, N.A. and U.S. BANK NATIONAL ASSOCIATION, as Co-Documentation Agents.

WHEREAS, the Borrowers, the Guarantors, the lenders party thereto and JPMorgan Chase Bank, N.A., as administrative agent thereunder, are currently party to the Credit Agreement, dated as of February 8, 2013 (as amended, supplemented or otherwise modified prior to the Effective Date, the “Existing Credit Agreement”);

WHEREAS, the Borrowers, the Guarantors, the Lenders party hereto and the Administrative Agent have entered into this Agreement in order to (i) amend and restate the Existing Credit Agreement in its entirety; (ii) extend the applicable maturity date in respect of the existing revolving credit facility under the Existing Credit Agreement; (iii) re-evidence the “Obligations” under, and as defined in, the Existing Credit Agreement, which shall be repayable in accordance with the terms of this Agreement; and (iv) set forth the terms and conditions under which the Lenders will, from time to time, make loans and extend other financial accommodations to or for the benefit of the Borrowers;

WHEREAS, it is the intent of the parties hereto that this Agreement not constitute a novation of the obligations and liabilities of the parties under the Existing Credit Agreement or be deemed to evidence or constitute full repayment of such obligations and liabilities, but that this Agreement amend and restate in its entirety the Existing Credit Agreement and re-evidence the obligations and liabilities of the Borrowers and the Subsidiaries outstanding thereunder, which shall be payable in accordance with the terms hereof; and

WHEREAS, it is also the intent of the Borrowers and the Guarantors to confirm that all obligations under the applicable “Loan Documents” (as referred to and defined in the Existing Credit Agreement) shall continue in full force and effect as modified or restated by the Loan Documents (as referred to and defined herein) and that, from and after the Effective Date, all references to the “Credit Agreement” contained in any such existing “Loan Documents” shall be deemed to refer to this Agreement;

NOW, THEREFORE, in consideration of the premises and the mutual covenants contained herein, the parties hereto agree that the Existing Credit Agreement is hereby amended and restated as follows:

ARTICLE I

Definitions

SECTION 1.01. Defined Terms. As used in this Agreement, the following terms have the meanings specified below:

“ABR”, when used in reference to any Loan or Borrowing (other than a Canadian Loan), refers to a Loan, or the Loans comprising such Borrowing, bearing interest at a rate determined by reference to the Alternate Base Rate.

“ Acquisition ” means any acquisition (in one transaction or a series of related transactions) by MK Holdings or any Subsidiary, on or after the Effective Date (whether effected through a purchase of Equity Interests or assets or through a merger, consolidation or amalgamation), of (i) another Person including the Equity Interests of any Person in which MK Holdings or any Subsidiary owns an Equity Interest or (ii) the assets constituting all or substantially all of a business or operating business unit of another Person.

“ Adjusted LIBO Rate ” means, with respect to any Eurocurrency Borrowing for any Interest Period, an interest rate per annum (rounded upwards, if necessary, to the next 1/100 of 1%) equal to (a) the LIBO Rate for such Interest Period multiplied by (b) the Statutory Reserve Rate.

“ Administrative Agent ” means JPMorgan Chase Bank, N.A. (including its branches and affiliates), in its capacity as administrative agent for the Lenders hereunder.

“ Administrative Questionnaire ” means an Administrative Questionnaire in a form supplied by the Administrative Agent.

“ Affiliate ” means, with respect to a specified Person, another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified.

“ Agent Parties ” has the meaning assigned to such term in Section 9.01(d).

“ Aggregate Commitment ” means the aggregate of the Commitments of all of the Lenders, as reduced or increased from time to time pursuant to the terms and conditions hereof. As of the Effective Date, the Aggregate Commitment is \$1,000,000,000.

“ Agreed Currencies ” means (i) Dollars, (ii) euro, (iii) Pounds Sterling, (iv) Japanese Yen, (v) Canadian Dollars, (vi) Swiss Francs and (vii) any other currency (x) that is a lawful currency (other than Dollars) that is readily available and freely transferable and convertible into Dollars, (y) for which a LIBOR Screen Rate is available in the Administrative Agent’s reasonable determination and (z) that is reasonably acceptable to the Administrative Agent and each of the Lenders.

“ Alternate Base Rate ” means, for any day, a rate per annum equal to the greatest of (a) the Prime Rate in effect on such day, (b) the FRBNY Rate in effect on such day plus ½ of 1% and (c) the Adjusted LIBO Rate for a one month Interest Period in Dollars on such day (or if such day is not a Business Day, the immediately preceding Business Day) plus 1%, provided that, for the avoidance of doubt, the Adjusted LIBO Rate for any day shall be based on the LIBO Rate at approximately 11:00 a.m. London time on such day, subject to the interest rate floors expressly set forth therein. Any change in the Alternate Base Rate due to a change in the Prime Rate, the FRBNY Rate or the Adjusted LIBO Rate shall be effective from and including the effective date of such change in the Prime Rate, the FRBNY Rate or the Adjusted LIBO Rate, respectively. For the avoidance of doubt, if the Alternate Base Rate shall be less than zero, such rate shall be deemed to be zero for purposes of this Agreement.

“ Alternative Rate ” has the meaning assigned to such term in Section 2.14(a).

“ Anti-Corruption Laws ” means all laws, rules, and regulations of any jurisdiction applicable to MK Holdings or its Subsidiaries from time to time concerning or relating to money laundering, bribery or corruption.

“ Applicable Maturity Date ” has the meaning assigned to such term in Section 2.27.

“ Applicable Payment Office ” means, (a) in the case of a Canadian Borrowing, the Canadian Payment Office and (b) in the case of a Eurocurrency Borrowing, the applicable Eurocurrency Payment Office.

“ Applicable Percentage ” means, with respect to any Lender, the percentage of the Aggregate Commitment represented by such Lender’s Commitment; provided that, in the case of Section 2.24 when a Defaulting Lender shall exist, “Applicable Percentage” shall mean the percentage of the Aggregate Commitment (disregarding any Defaulting Lender’s Commitment) represented by such Lender’s Commitment. If the Commitments have terminated or expired, the Applicable Percentages shall be determined based upon the Commitments most recently in effect, giving effect to any assignments and to any Lender’s status as a Defaulting Lender at the time of determination.

“ Applicable Rate ” means, for any day, with respect to any Eurocurrency Revolving Loan, any ABR Revolving Loan, any BA Equivalent Loan or any Canadian Base Rate Loan or with respect to the commitment fees payable hereunder or with respect to any Commercial Letter of Credit, as the case may be, the applicable rate per annum set forth below under the caption “Eurocurrency Spread”, “ABR Spread”, “BA Rate Spread”, “Canadian Base Rate Spread”, “Commitment Fee Rate” or “Commercial Letter of Credit Rate”, as the case may be, based upon the Leverage Ratio applicable on such date:

	<u>Leverage Ratio :</u>	<u>Eurocurrency Spread</u>	<u>ABR Spread</u>	<u>BA Rate Spread</u>	<u>Canadian Base Rate Spread</u>	<u>Commercial Letter of Credit Rate</u>	<u>Commitment Fee Rate</u>
<u>Category 1:</u>	≤ 1.00 to 1.00	1.00%	0.00%	1.00%	0.00%	0.50%	0.10%
<u>Category 2:</u>	> 1.00 to 1.00 but ≤ 1.50 to 1.00	1.125%	0.125%	1.125%	0.125%	0.5625%	0.125%
<u>Category 3:</u>	> 1.50 to 1.00 but ≤ 2.00 to 1.00	1.25%	0.25%	1.25%	0.25%	0.625%	0.15%
<u>Category 4:</u>	> 2.00 to 1.00	1.375%	0.375%	1.375%	0.375%	0.6875%	0.175%

For purposes of the foregoing,

(i) if at any time the Company fails to deliver the Financials on or before the date the Financials are due pursuant to Section 5.01, Category 4 shall be deemed applicable for the period commencing three (3) Business Days after the required date of delivery and ending on the date which is three (3) Business Days after the Financials are actually delivered, after which the Category shall be determined in accordance with the table above as applicable;

(ii) adjustments, if any, to the Category then in effect shall be effective three (3) Business Days after the Administrative Agent has received the applicable Financials (it being understood and agreed that each change in Category shall apply during the period commencing on the effective date of such change and ending on the date immediately preceding the effective date of the next such change); and

(iii) notwithstanding the foregoing, Category 2 shall be deemed to be applicable until the Administrative Agent's receipt of the applicable Financials for MK Holdings' fiscal quarter ending on or about September 30, 2015 (unless such Financials demonstrate that a higher Category should have been applicable during such period, in which case such higher Category shall be deemed to be applicable during such period) and adjustments to the Category then in effect shall thereafter be effected in accordance with the preceding paragraphs.

“Approved Fund” has the meaning assigned to such term in Section 9.04.

“Assignment and Assumption” means an assignment and assumption agreement entered into by a Lender and an assignee (with the consent of any party whose consent is required by Section 9.04), and accepted by the Administrative Agent, in the form of Exhibit A or any other form approved by the Administrative Agent.

“Augmenting Lender” has the meaning assigned to such term in Section 2.20.

“Availability Period” means the period from and including the Effective Date to but excluding the earlier of the Maturity Date and the date of termination of the Commitments.

“Available Revolving Commitment” means, at any time with respect to any Lender, the Commitment of such Lender then in effect minus the Revolving Credit Exposure of such Lender at such time; it being understood and agreed that any Lender's Swingline Exposure shall not be deemed to be a component of the Revolving Credit Exposure for purposes of calculating the commitment fee under Section 2.12(a).

“BA Equivalent Borrowing” means a Canadian Borrowing that bears interest at a rate per annum determined by reference to the BA Rate.

“BA Equivalent Loan” means a Canadian Loan that bears interest at a rate per annum determined by reference to the BA Rate.

“BA Rate” means, with respect to any Interest Period for any BA Equivalent Loan (a) in the case of any Lender named in Schedule I of the *Bank Act* (Canada), the rate per annum determined by the Administrative Agent by reference to the average annual rate applicable to Canadian Dollar bankers' acceptances having a term comparable to such Interest Period quoted on the Reuters Screen “CDOR Page” (or, in the event such rate does not appear on such page or screen on such day, on any successor or substitute page or screen that displays such rate, or on the appropriate page or screen of such other information service that publishes such rate from time to time, as selected by the Administrative Agent in its reasonable discretion (the “Alternate Screen”)) at 10:15 a.m. (Toronto time) on the date of the commencement of such Interest Period (the “CDOR Rate”) and (b) in the case of any other Lender, the CDOR Rate plus 0.10%; provided that, if the CDOR Rate shall be less than zero, such rate shall be deemed to be zero for purposes of this Agreement. If such rates do not appear on the Reuters Screen or the Alternate Screen at such time, the CDOR Rate shall be the rate of interest determined by the Administrative Agent that is equal to the average (rounded upwards to the nearest 1/100 of 1%) of rates per annum quoted by the banks listed in Schedule I of the *Bank Act* (Canada) (the “Schedule I Banks”) that are also Lenders in respect of Canadian Dollar bankers' acceptances with a term comparable to such interest period; provided that if there are not at least two Lenders that are Schedule I Banks, the CDOR Rate shall be the rate of interest determined by the Administrative Agent that is equal to the average (rounded upwards to the nearest 1/100 of 1%) of rates per annum quoted by the largest five Schedule I Banks in respect of Canadian Dollar bankers' acceptances with a term comparable to such interest period.

“Banking Services” means each and any of the following bank services provided to any Loan Party or any Subsidiary by any Lender or any of its Affiliates: (a) credit cards for commercial customers (including, without limitation, commercial credit cards and purchasing cards), (b) stored value cards, (c) merchant processing services and (d) treasury management services (including, without limitation, controlled disbursement, automated clearinghouse transactions, return items, any direct debit scheme or arrangement, overdrafts and interstate depository network services).

“Banking Services Agreement” means any agreement entered into by any Loan Party or any Subsidiary in connection with Banking Services.

“Banking Services Obligations” means any and all obligations of any Loan Party or any Subsidiary, whether absolute or contingent and howsoever and whensoever created, arising, evidenced or acquired (including all renewals, extensions and modifications thereof and substitutions therefor) in connection with Banking Services.

“Bankruptcy Event” means, with respect to any Person, such Person becomes the subject of a bankruptcy or insolvency proceeding, or has had a receiver, liquidator, conservator, trustee, administrator, custodian, monitor, assignee for the benefit of creditors or similar Person charged with the preservation, reorganization or liquidation of its business appointed for it, or, in the good faith determination of the Administrative Agent, has taken any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any such proceeding or appointment, provided that a Bankruptcy Event shall not result solely by virtue of (i) any ownership interest, or the acquisition of any ownership interest, in such Person by a Governmental Authority or instrumentality thereof or (ii) an Undisclosed Administration that is not expected to impair or delay a Lender’s ability to satisfy its funding obligations hereunder, provided, further, that such ownership interest does not result in or provide such Person with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment on its assets or permit such Person (or such Governmental Authority or instrumentality) to reject, repudiate, disavow or disaffirm any contracts or agreements made by such Person.

“Board” means the Board of Governors of the Federal Reserve System of the United States of America.

“Borrower” means the Company, MK Holdings or any Foreign Subsidiary Borrower.

“Borrowing” means (a) Revolving Loans of the same Type, made, converted or continued on the same date and, in the case of Eurocurrency Loans and BA Equivalent Loans, as to which a single Interest Period is in effect or (b) a Swingline Loan.

“Borrowing Request” means a request by any Borrower for a Revolving Borrowing in accordance with Section 2.03 in the form attached hereto as Exhibit I-1.

“Borrowing Subsidiary Agreement” means a Borrowing Subsidiary Agreement substantially in the form of Exhibit F-1.

“Borrowing Subsidiary Termination” means a Borrowing Subsidiary Termination substantially in the form of Exhibit F-2.

“Business Day” means any day that is not a Saturday, Sunday or other day on which commercial banks in New York City are authorized or required by law to remain closed; provided that, (i) when used in connection with a Eurocurrency Loan, the term “Business Day” shall also exclude any day on

which banks are not open for dealings in the relevant Agreed Currency in the London interbank market or the principal financial center of such Agreed Currency (and, if the Borrowings or LC Disbursements which are the subject of a borrowing, drawing, payment, reimbursement or rate selection are denominated in euro, the term “Business Day” shall also exclude any day on which the TARGET2 payment system is not open for the settlement of payments in euro); and (ii) when used in connection with a Canadian Loan, the term “Business Day” shall also exclude any day on which banks are required or authorized by law to close in Toronto, Canada.

“BVI Insolvency Event” means any one or more of the following with respect to any BVI Loan Party: (a) the value of its liabilities (including its contingent and prospective liabilities) exceeds the value of its assets; (b) it fails to comply with the requirements of a statutory demand that has not been set aside under Section 157 of the Insolvency Act, 2003 of the British Virgin Islands (the “BVI Insolvency Act”); (c) execution or other process issued on a judgment, decree or order of a court in favour of a creditor of it is returned wholly or partly unsatisfied; (d) it has taken any action or steps have been taken or legal proceedings have been started or threatened against it for (i) its winding up, liquidation, administration, dissolution, amalgamation, reconstruction, reorganisation, arrangement, adjustment, consolidation or protection or relief of creditors (whether by way of voluntary arrangement, scheme of arrangement or otherwise), or (ii) the enforcement of any security interest over any or all of its assets; or (iii) the appointment of a liquidator, receiver, controller, inspector, manager, supervisor, administrative receiver, administrator, trustee or similar officer or official of it or of any or all of its assets; (e) a compromise or arrangement has been proposed, agreed to or sanctioned under any of Sections 177, 178 and 179A of the BVI Business Companies Act, 2004 of the British Virgin Islands (the “BVI Companies Act”) in respect of it, or an application has been made to, or filed with, a court for permission to convene a meeting to vote on a proposal for any such compromise or arrangement; (f) a merger or consolidation is proposed, approved, agreed to or sanctioned under any of Sections 170 to 174 (inclusive) of the BVI Companies Act in respect of it; (g) action is being taken by the Registrar of Corporate Affairs pursuant to Section 213 of the BVI Companies Act to dissolve or strike it off the British Virgin Islands register of companies; or (h) action is approved, agreed to or being taken pursuant to Section 184 of the BVI Companies Act to (without the prior consent of the Administrative Agent) continue it as a company incorporated under the laws of a jurisdiction outside the British Virgin Islands.

“BVI Loan Party” means any Loan Party incorporated under the laws of the British Virgin Islands.

“Canadian Base Rate Borrowing” means a Canadian Borrowing that bears interest at a rate per annum determined by reference to the Canadian Prime Rate.

“Canadian Base Rate Loan” means a Canadian Loan that bears interest at a rate per annum determined by reference to the Canadian Prime Rate.

“Canadian Borrower” means (i) MK Canada Holdings and (ii) any other Borrower organized under the laws of Canada or any province or territory thereof.

“Canadian Borrowing” means a Borrowing of Canadian Loans.

“Canadian Dollar” and/or “CAD” means the lawful currency of Canada.

“Canadian Loan” means a Loan made to a Canadian Borrower denominated in Canadian Dollars.

“Canadian Payment Office” of the Administrative Agent means the office, branch, affiliate or correspondent bank of the Administrative Agent for Canadian Dollars as specified from time to time by the Administrative Agent to the Company and each Lender.

“Canadian Plans” means, all Canadian pension plans that are considered to be pension plans for the purposes of, and are required to be registered under, the ITA or any applicable pension benefits standards statute or regulation in Canada and that are established, maintained or contributed to by any Loan Party, all plans or arrangements which provide or promise health, dental, or any other welfare benefits governed by the laws of Canada, to current employees or former employees who have retired or terminated from employment with any Loan Party; the term “Canadian Plans” shall not include any multi-employer pension plans as that term is defined under applicable Canadian pension and benefits standards statute or regulation, Canadian Plans administered by an entity other than a Loan Party under a collective bargaining agreement or any statutory plans with which any Loan Party thereof is required to comply, including the Canada/Quebec Pension Plan and plans administered pursuant to applicable provincial health tax, workers’ compensation and workers’ safety and employment insurance legislation.

“Canadian Prime Rate” means, for any day, the rate determined by the Administrative Agent to be the greater of (a) the rate equal to the PRIMCAN Index rate that appears on the Bloomberg screen (or, in the event that the PRIMCAN Index is not published by Bloomberg on such day, any other information services that publishes such index from time to time, as selected by the Administrative Agent in its reasonable discretion) at 10:15 a.m. (Toronto time) on such day (or, if such day is not a Business Day, the immediately preceding Business Day) and (b) the sum of (x) the CDOR Rate for an Interest Period of one month on such day (or, if such day is not a Business Day, the immediately preceding Business Day) plus (y) 1.0% per annum; provided, that if any of the above rates shall be less than zero, such rate shall be deemed to be zero for purposes of this Agreement. Any change in the Canadian Prime Rate due to a change in the PRIMCAN Index or the CDOR Rate shall be effective from and including the effective date of such change in the PRIMCAN Index or CDOR Rate, respectively.

“Capital Lease Obligations” of any Person means the obligations of such Person to pay rent or other amounts under any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which obligations are required to be classified and accounted for as capital leases on a balance sheet of such Person under GAAP, and, for the purposes of this Agreement, the amount of such obligations at any time shall be the capitalized amount thereof at such time determined in accordance with GAAP; provided that Capital Lease Obligations shall not include any obligations of any Person to pay rent or other amounts under any lease (or other arrangement conveying the right to use) of real or personal property, or a combination thereof, which obligations would be required to be classified and accounted for as an operating lease under GAAP as in effect on the Effective Date.

“CDOR Rate” has the meaning assigned to such term in the definition of BA Rate.

“CFC” means a “controlled foreign corporation” within the meaning of section 957(a) of the Code.

“CFC Holding Company” means any Domestic Subsidiary substantially all of the assets of which are one or more CFCs, either directly or indirectly through other entities that are disregarded entities or partnerships for U.S. federal income tax purposes, and all such entities (i) have no material assets (excluding equity interests in each other) other than equity interests of such CFCs, (ii) do not incur, and are not otherwise liable for, any material Indebtedness (other than intercompany indebtedness permitted pursuant to Section

6.01(c)), and (iii) do not conduct any material business or activities other than the ownership of such equity interests and/or receivables and other immaterial assets and activities reasonably related or ancillary thereto.

“Change in Control” means (a) the acquisition of ownership, directly or indirectly, beneficially or of record, by any Person or group (within the meaning of the Securities Exchange Act of 1934 and the rules of the SEC thereunder as in effect on the date hereof) of Equity Interests representing more than 35% of the aggregate ordinary voting power represented by the issued and outstanding Equity Interests of MK Holdings; (b) occupation of a majority of the seats (other than vacant seats) on the board of directors of MK Holdings by Persons who were neither (i) nominated, appointed or approved for election by the board of directors of MK Holdings nor (ii) appointed by directors so nominated, appointed or approved for election; or (c) MK Holdings ceases to own, directly or indirectly, and Control 100% (other than directors’ qualifying shares) of the ordinary voting and economic power of any other Borrower (other than, in the case of a Foreign Subsidiary Borrower, (x) directors’ qualifying shares or (y) nominal shares issued to foreign nationals to the extent required by applicable law).

“Change in Law” means the occurrence, after the date of this Agreement (or with respect to any Lender, if later, the date on which such Lender becomes a Lender), of any of the following: (a) the adoption or taking effect of any law, rule, regulation or treaty, (b) any change in any law, rule, regulation or treaty or in the administration, interpretation, implementation or application thereof by any Governmental Authority, or (c) the making or issuance of any request, rules, guideline, requirement or directive (whether or not having the force of law) by any Governmental Authority; provided however, that notwithstanding anything herein to the contrary, (i) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines, requirements and directives thereunder, issued in connection therewith or in implementation thereof, and (ii) all requests, rules, guidelines, requirements and directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a “Change in Law” regardless of the date enacted, adopted, issued or implemented.

“Class”, when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are Revolving Loans or Swingline Loans.

“Code” means the Internal Revenue Code of 1986, as amended.

“Co-Documentation Agent” means each of Bank of America, N.A. and U.S. Bank National Association, in its capacity as co-documentation agent for the credit facility evidenced by this Agreement.

“Co-Syndication Agent” means each of JPMorgan Chase Bank, N.A. and Citibank, N.A., in its capacity as co-syndication agent for the credit facility evidenced by this Agreement.

“Commercial Letter of Credit” means a commercial documentary letter of credit issued pursuant to this Agreement by any Issuing Bank for the account of any Borrower for the purchase of goods in the ordinary course of business.

“Commitment” means, with respect to each Lender, the commitment of such Lender to make Revolving Loans and to acquire participations in Letters of Credit and Swingline Loans hereunder, expressed as an amount representing the maximum aggregate amount of such Lender’s Revolving Credit Exposure hereunder, as such commitment may be (a) reduced or terminated from time to time pursuant to Section 2.09, (b) increased from time to time pursuant to Section 2.20 and (c) reduced or increased from time to time pursuant to assignments by or to such Lender pursuant to Section 9.04. The initial amount of each Lender’s

Commitment is set forth on Schedule 2.01, or in the Assignment and Assumption or other documentation contemplated hereby pursuant to which such Lender shall have assumed its Commitment, as applicable.

“ Commodity Exchange Act ” means the Commodity Exchange Act (7 U.S.C. § 1 et seq.), as amended from time to time, and any successor statute.

“ Communications ” has the meaning assigned to such term in Section 9.01(d).

“ Company ” means Michael Kors (USA), Inc., a Delaware corporation.

“ Computation Date ” is defined in Section 2.04.

“ Connection Income Taxes ” means Other Connection Taxes that are imposed on or measured by net income (however denominated) or that are franchise Taxes or branch profits Taxes.

“ Consolidated EBITDAR ” means, with respect to MK Holdings and its Subsidiaries on a consolidated basis for any period, Consolidated Net Income for such period, plus

(a) without duplication and to the extent deducted from revenues in arriving at such Consolidated Net Income for such period, the sum of the following amounts for such period:

(i) Consolidated Interest Expense,

(ii) provision for taxes based on income, profits or capital, including federal, state, local and foreign franchise, excise and similar taxes paid or accrued (including withholding tax payments) during such period (including in respect of repatriated funds),

(iii) depreciation and amortization (including amortization of deferred financing fees or costs),

(iv) other non-cash losses, charges or expenses, including impairment of long-lived assets, and

(v) Consolidated Lease Expense,

minus

(b) without duplication and to the extent included in arriving at such Consolidated Net Income, the sum of the following amounts for such period:

(i) interest income,

(ii) non-cash gains,

(iii) extraordinary cash gains,

(iv) tax credits for any of the taxes of a type described in clause (a)(ii) above (to the extent not netted from the tax expense described in such clause (a)(ii)),

(v) any cash payments made during such period in respect of non-cash items described in clause (a)(iv) above subsequent to the fiscal quarter in which the relevant non-cash expenses or losses were incurred,

in each case, as determined on a consolidated basis for MK Holdings and its Subsidiaries in accordance with GAAP.

“Consolidated Interest Expense” means, with respect to MK Holdings and its Subsidiaries for any period, the total interest expense of MK Holdings and its Subsidiaries during such period determined on a consolidated basis, in accordance with GAAP, and shall in any event include interest on any Capital Lease Obligation which shall be deemed to accrue at an interest rate reasonably determined by MK Holdings to be the rate of interest implicit in such Capital Lease Obligation in accordance with GAAP. For purposes of the foregoing, gross interest expense shall be determined after giving effect to any net payments made or received and costs incurred by MK Holdings and the Subsidiaries with respect to Swap Agreements in respect of interest rates.

“Consolidated Lease Expense” means, for any period, the aggregate amount of fixed and contingent rentals payable by MK Holdings and its Subsidiaries for such period with respect to leases of real and personal property, determined on a consolidated basis in accordance with GAAP; provided that payments in respect of Capital Lease Obligations shall not constitute Consolidated Lease Expense.

“Consolidated Net Income” means for any period, the consolidated net income (or loss) of MK Holdings and its Subsidiaries, determined on a consolidated basis in accordance with GAAP; provided that there shall be excluded (a) the income (or deficit) of any Person accrued prior to the date it becomes a Subsidiary of MK Holdings or is merged into or amalgamated or consolidated with MK Holdings or any of its Subsidiaries, (b) the income (or deficit) of any Person (other than a Subsidiary of MK Holdings) in which MK Holdings or any of its Subsidiaries has an ownership interest, except to the extent that any such income is actually received by MK Holdings or such Subsidiary in the form of dividends or similar distributions and (c) the undistributed earnings of any Subsidiary of MK Holdings to the extent that the declaration or payment of dividends or similar distributions by such Subsidiary is not at the time permitted by the terms of any contractual obligation (other than under any Loan Document) or Requirement of Law applicable to such Subsidiary.

“Consolidated Net Worth” means as of any date of determination thereof, the excess of (a) the aggregate consolidated net book value of the assets of MK Holdings and its Subsidiaries after all appropriate adjustments in accordance with GAAP (including, without limitation, reserves for doubtful receivables, obsolescence, depreciation and amortization) over (b) all of the aggregate liabilities of MK Holdings and its Subsidiaries, including all items which, in accordance with GAAP, would be included on the liability side of the balance sheet (other than Equity Interests, treasury stock, capital surplus and retained earnings), in each case determined on a consolidated basis (after eliminating all inter-company items) in accordance with GAAP; provided, however, that in calculating Consolidated Net Worth the effects of the Statement of Financial Accounting Standards No. 142 (or the corresponding Accounting Standards Codification Topic, as applicable) shall be disregarded.

“Consolidated Total Assets” means, as of the date of any determination thereof, total assets of MK Holdings and its Subsidiaries calculated in accordance with GAAP on a consolidated basis as of such date.

“Consolidated Total Indebtedness” means at any time, the aggregate principal amount of outstanding Indebtedness (excluding (i) Indebtedness in respect of contingent obligations described in clauses (h) and (i) of the definition of Indebtedness, (ii) Indebtedness described in clause (j) of the definition of

Indebtedness, and (iii) Indebtedness described in clause (e) or (f) of the definition of Indebtedness with respect to Indebtedness of others described in clause (i) or (ii) above) of MK Holdings and its Subsidiaries calculated on a consolidated basis as of such time in accordance with GAAP.

“Control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. The terms “Controlling” and “Controlled” have meanings correlative thereto.

“Controlled Affiliate” means, with respect to any Loan Party or any of its respective Subsidiaries, any of their respective Affiliates of over which any of the foregoing exercises management control.

“Credit Event” means a Borrowing, the issuance, amendment, renewal or extension of a Letter of Credit, an LC Disbursement or any of the foregoing.

“Credit Party” means the Administrative Agent, any Issuing Bank, the Swingline Lender or any other Lender.

“CRR” means the 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 amending Regulation (EU) No 648/2012.

“Default” means any event or condition which constitutes an Event of Default or which upon notice, lapse of time or both would, unless cured or waived, become an Event of Default.

“Defaulting Lender” means any Lender that (a) has failed, within two (2) Business Days of the date required to be funded or paid, to (i) fund any portion of its Loans, (ii) fund any portion of its participations in Letters of Credit or Swingline Loans or (iii) pay over to any Credit Party any other amount required to be paid by it hereunder, unless, in the case of clause (i) above, such Lender notifies the Administrative Agent in writing that such failure is the result of such Lender’s good faith determination that a condition precedent to funding (specifically identified and including the particular default, if any) has not been satisfied, (b) has notified the Company or any Credit Party in writing, or has made a public statement to the effect, that it does not intend or expect to comply with any of its funding obligations under this Agreement (unless such writing or public statement indicates that such position is based on such Lender’s good faith determination that a condition precedent (specifically identified and including the particular default, if any) to funding a Loan under this Agreement cannot be satisfied) or generally under other agreements in which it commits to extend credit, (c) has failed, within three (3) Business Days after request by a Credit Party, acting in good faith, to provide a certification in writing from an authorized officer of such Lender that it will comply with its obligations (and is financially able to meet such obligations) to fund prospective Loans and participations in then outstanding Letters of Credit and Swingline Loans under this Agreement, provided that such Lender shall cease to be a Defaulting Lender pursuant to this clause (c) upon such Credit Party’s receipt of such certification in form and substance satisfactory to it and the Administrative Agent, or (d) has become the subject of a Bankruptcy Event.

“Disposition” means with respect to any property, any sale, lease, sale and leaseback, assignment, conveyance, transfer or other disposition thereof. The terms “Dispose” and “Disposed of” shall have correlative meanings.

“Dollar Amount” of any currency at any date means (i) the amount of such currency if such currency is Dollars or (ii) the equivalent amount thereof in Dollars if such currency is a Foreign Currency,

calculated on the basis of the Exchange Rate for such currency, on or as of the most recent Computation Date provided for in Section 2.04.

“Dollars” or “\$” refers to lawful money of the United States of America.

“Domestic Subsidiary” means a Subsidiary of MK Holdings organized under the laws of a jurisdiction located in the United States of America.

“Dutch Borrower” means (i) MKE and (ii) any other Foreign Subsidiary Borrower that is organized under the laws of the Netherlands.

“Dutch Non-Public Lender” means: (i) until the publication of an interpretation of “public” as referred to in the CRR by the competent authority or authorities: an entity which (x) assumes existing rights and/or obligations vis-à-vis a Dutch Borrower, the value of which is at least EUR 100,000 (or its equivalent in another currency), (y) provides repayable funds for an initial amount of at least EUR 100,000 (or its equivalent in another currency) or (z) otherwise qualifies as not forming part of the public; and (ii) as soon as the interpretation of the term “public” as referred to in the CRR has been published by the relevant authority or authorities: an entity which is not considered to form part of the public on the basis of such interpretation.

“ECP” means an “eligible contract participant” as defined in Section 1(a)(18) of the Commodity Exchange Act or any regulations promulgated thereunder and the applicable rules issued by the Commodity Futures Trading Commission and/or the SEC.

“Effective Date” means the date on which the conditions specified in Section 4.01 are satisfied (or waived in accordance with Section 9.02).

“Electronic Signature” means an electronic sound, symbol, or process attached to, or associated with, a contract or other record and adopted by a Person with the intent to sign, authenticate or accept such contract or record.

“Electronic System” means any electronic system, including e-mail, e-fax, Intralinks®, ClearPar®, Debt Domain, Syndtrak and any other Internet or extranet-based site, whether such electronic system is owned, operated or hosted by the Administrative Agent or any Issuing Bank and any of their respective Related Parties or any other Person, providing for access to data protected by passcodes or other security system.

“Eligible Foreign Subsidiary” means (i) any Foreign Subsidiary organized under the laws of the British Virgin Islands, Canada or any province or territory thereof, the Netherlands or Switzerland and (ii) any other Foreign Subsidiary that is approved from time to time by the Administrative Agent and each of the Lenders in their reasonable discretion.

“Environmental Laws” means all laws, rules, regulations, codes, ordinances, orders or decrees issued, promulgated or entered into by any Governmental Authority, and any judgments, injunctions, or binding agreements entered against or into by the Company or any of its Subsidiaries, relating in any way to the protection of the environment, preservation or reclamation of natural resources, the management, release or threatened release of any Hazardous Material.

“Environmental Liability” means any liability, contingent or otherwise (including any liability for damages, costs of environmental remediation, fines, penalties or indemnities), of the Company or any Subsidiary resulting from or based upon (a) violation of any Environmental Law, (b) the generation,

use, handling, transportation, storage, treatment or disposal of any Hazardous Materials, (c) exposure to any Hazardous Materials, (d) the release or threatened release of any Hazardous Materials into the environment or (e) any contract, agreement or other consensual arrangement pursuant to which liability is assumed or imposed with respect to any of the foregoing.

“Equity Interests” means shares of capital stock, partnership interests, membership interests in a limited liability company, beneficial interests in a trust or other equity ownership interests in a Person, and any warrants, options or other rights entitling the holder thereof to purchase or acquire any of the foregoing.

“Equivalent Amount” of any currency with respect to any amount of Dollars at any date means the equivalent in such currency of such amount of Dollars, calculated on the basis of the Exchange Rate for such other currency at 11:00 a.m., London time, on the date on or as of which such amount is to be determined.

“ERISA” means the Employee Retirement Income Security Act of 1974, as amended from time to time.

“ERISA Affiliate” means any trade or business (whether or not incorporated) that, together with the Company, is treated as a single employer under Section 414(b) or (c) of the Code or, solely for purposes of Section 302 of ERISA and Section 412 of the Code, is treated as a single employer under Section 414 of the Code.

“ERISA Event” means (a) any Reportable Event; (b) a determination that any Plan is, or is expected to be, in “at risk” status (within the meaning of Section 430 of the Code or Section 303 of ERISA); (c) the failure of any Loan Party or any ERISA Affiliate to make by its due date a required installment under Section 430(j) of the Code with respect to any Plan or the failure by any Plan to satisfy the minimum funding standards (within the meaning of Section 412 of the Code or Section 302 of ERISA) applicable to such Plan, whether or not waived; (d) the filing pursuant to Section 412(c) of the Code or Section 302(c) of ERISA of an application for a waiver of the minimum funding standard with respect to any Plan; (e) the receipt by any Loan Party or any ERISA Affiliate from the PBGC of any notice relating to an intention to terminate any Plan or to appoint a trustee to administer any Plan, or the incurrence by any Loan Party or any of its ERISA Affiliates of any liability under Title IV of ERISA with respect to the termination of any Plan, including but not limited to the imposition of any Lien in favor of the PBGC or any Plan; (f) the receipt by any Loan Party or any ERISA Affiliate of any notice, or the receipt by any Multiemployer Plan from any Loan Party or any ERISA Affiliate of any notice, concerning the imposition of Withdrawal Liability on any Loan Party or any ERISA Affiliate or the incurrence by any Loan Party or any of its ERISA Affiliates of any liability with respect to the complete withdrawal or partial withdrawal from any Plan (within the meaning of Section 4063 of ERISA) or Multiemployer Plan (within the meaning of Sections 4203 and 4205 of ERISA); (g) the receipt by any Loan Party or any ERISA Affiliate of any determination that a Multiemployer Plan is, or is expected to be, Insolvent, in Reorganization, terminated (within the meaning of Section 4041A of ERISA), or in “endangered” or “critical” status (within the meaning of Section 432 of the Code or Section 305 of ERISA); or (h) any Foreign Plan Event.

“Establishment” means, in respect of any Person, any place of operations where such Person carries out a non-transitory economic activity with human means and goods, assets or services.

“euro” and/or “EUR” means the single currency of the Participating Member States.

“Eurocurrency”, when used in reference to a currency means an Agreed Currency (other than Canadian Dollars) and when used in reference to any Loan or Borrowing, means that such Loan, or the Loans comprising such Borrowing, bears interest at a rate determined by reference to the Adjusted LIBO Rate.

“Eurocurrency Payment Office” of the Administrative Agent means, for each Foreign Currency (other than Canadian Dollars), the office, branch, affiliate or correspondent bank of the Administrative Agent for such currency as specified from time to time by the Administrative Agent to the Company and each Lender.

“Event of Default” has the meaning assigned to such term in Article VII.

“Exchange Rate” means, on any day, with respect to any Foreign Currency, the rate at which such Foreign Currency may be exchanged into Dollars, as set forth at approximately 11:00 a.m., Local Time, on such date on the Reuters World Currency Page for such Foreign Currency. In the event that such rate does not appear on any Reuters World Currency Page, the Exchange Rate with respect to such Foreign Currency shall be determined by reference to such other publicly available service for displaying exchange rates as may be agreed upon by the Administrative Agent and the Company for such purpose or, in the absence of such agreement, such Exchange Rate shall instead be calculated on the basis of the arithmetical mean of the buy and sell spot rates of exchange of the Administrative Agent for such Foreign Currency on the London market at 11:00 a.m., Local Time, on such date for the purchase of Dollars with such Foreign Currency, for delivery two Business Days later; provided, that if at the time of any such determination, for any reason, no such spot rate is being quoted, the Administrative Agent, after consultation with the Company, may use any reasonable method it deems appropriate to determine such rate, and such determination shall be conclusive absent manifest error.

“Excluded Swap Obligation” means, with respect to any Loan Party, any Specified Swap Obligation if, and to the extent that, all or a portion of the Guarantee of such Loan Party of, or the grant by such Loan Party of a security interest to secure, such Specified Swap Obligation (or any Guarantee thereof) is or becomes illegal under the Commodity Exchange Act or any rule, regulation or order of the Commodity Futures Trading Commission (or the application or official interpretation of any thereof) by virtue of such Loan Party’s failure for any reason to constitute an ECP at the time the Guarantee of such Loan Party or the grant of such security interest becomes effective with respect to such Specified Swap Obligation. If a Specified Swap Obligation arises under a master agreement governing more than one swap, such exclusion shall apply only to the portion of such Specified Swap Obligation that is attributable to swaps for which such Guarantee or security interest is or becomes illegal.

“Excluded Taxes” means any of the following Taxes imposed on or with respect to a Recipient or required to be withheld or deducted from a payment to a Recipient, (a) Taxes imposed on or measured by net income (however denominated), franchise Taxes, and branch profits Taxes, in each case, (i) imposed as a result of such Recipient being organized under the laws of, or having its principal office or, in the case of any Lender, its applicable lending office located in, the jurisdiction imposing such Tax (or any political subdivision thereof) or (ii) that are Other Connection Taxes, (b) in the case of a Lender, (i) U.S. federal withholding Taxes imposed on amounts payable to or for the account of such Lender with respect to an applicable interest in a Loan, Letter of Credit or Commitment pursuant to a law in effect on the date on which (A) such Lender acquires such interest in the Loan, Letter of Credit or Commitment (other than pursuant to an assignment request by the Company under Section 2.19(b)) or (B) such Lender changes its lending office, except in each case to the extent that, pursuant to Section 2.17, amounts with respect to such Taxes were payable either to such Lender’s assignor immediately before such Lender acquired the applicable interest in

a Loan, Letter of Credit or Commitment or to such Lender immediately before it changed its lending office, (ii) Swiss Withholding Taxes to the extent a payment of interest is increased pursuant to Section 2.13(f) and (iii) Excluded UK Withholding Taxes imposed on amounts payable to or for the account of such Recipient with respect to an applicable interest in a Loan, Letter of Credit or Commitment, (c) Taxes attributable to such Recipient's failure to comply with Section 2.17(f) and (d) any U.S. federal withholding Taxes imposed under FATCA.

“Excluded UK Withholding Taxes” means UK withholding Taxes imposed on amounts payable to or for the account of a Recipient with respect to an applicable interest in a Loan, Letter of Credit or Commitment, if on the date on which payment of the amount falls due:

(a) the payment could have been made to the relevant Recipient without any deduction for UK withholding Taxes if the Recipient had been a Qualifying Recipient, but on that date that Recipient is not or has ceased to be a Qualifying Recipient other than as a result of any change after the date it became a Recipient under this Agreement in (or in the interpretation, administration, or application of) any law or Treaty or any published practice or published concession of any relevant taxing authority; or

(b) the relevant Recipient is a Qualifying Recipient solely by virtue of paragraph (a)(ii) of the definition of “Qualifying Recipient” and:

(i) an officer of H.M. Revenue & Customs has given (and not revoked) a direction (a “Direction”) under section 931 of the Income Tax Act 2007 which relates to the payment and that Recipient has received from the person making the payment or from another UK Loan Party a certified copy of that Direction; and

(ii) the payment could have been made to the Recipient without any deduction for UK withholding Taxes if that Direction had not been made; or

(c) the relevant Recipient is a Qualifying Recipient solely by virtue of paragraph (a)(ii) of the definition of “Qualifying Recipient” and:

(i) the relevant Recipient has not given notice to the Administrative Agent under Section 2.17(f)(iii) that it is a Qualifying Recipient; and

(ii) the payment could have been made to the Recipient without any deduction for UK withholding Taxes if the Recipient had given such notice, on the basis that the notice would have enabled the payer to have formed a reasonable belief that the payment was an “excepted payment” for the purpose of section 930 of the Income Tax Act 2007; or

(d) the relevant Recipient is a Treaty Recipient and the person making the payment is able to demonstrate that the payment could have been made to the Recipient without any deduction for UK withholding Taxes had that Recipient complied with its obligations under Section 2.17(f)(iii).

“Existing Credit Agreement” is defined in the recitals hereto.

“Existing Letters of Credit” means the Letters of Credit heretofore issued pursuant to the Existing Credit Agreement and described on Schedule 2.06.

“Existing Revolving Loans” shall have the meaning assigned to such term in Section 2.01.

“Extended Letter of Credit” has the meaning set forth in Section 2.06(c).

“FATCA” means Sections 1471 through 1474 of the Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof, any agreement entered into pursuant to Section 1471(b)(1) of the Code and any intergovernmental agreements to implement such Sections of the Code entered into between any relevant authorities on behalf of the United States and such jurisdiction.

“Federal Funds Effective Rate” means, for any day, the rate calculated by the FRBNY based on such day’s federal funds transactions by depository institutions (as determined in such manner as the FRBNY shall set forth on its public website from time to time) and published on the next succeeding Business Day by the FRBNY as the federal funds effective rate.

“Financial Officer” means the chief executive officer, president or chief financial officer of MK Holdings.

“Financials” means the annual or quarterly financial statements, and accompanying certificates and other documents, of MK Holdings and its Subsidiaries required to be delivered pursuant to Section 5.01(a) or 5.01(b).

“Foreign Currencies” means Agreed Currencies other than Dollars.

“Foreign Currency LC Exposure” means, at any time, the sum of (a) the Dollar Amount of the aggregate undrawn and unexpired amount of all outstanding Foreign Currency Letters of Credit at such time plus (b) the aggregate principal Dollar Amount of all LC Disbursements in respect of Foreign Currency Letters of Credit that have not yet been reimbursed at such time.

“Foreign Currency Letter of Credit” means a Letter of Credit denominated in a Foreign Currency.

“Foreign Kors Person” has the meaning assigned to such term in Section 9.09.

“Foreign Lender” means (a) if the applicable Borrower is a U.S. Person, a Lender, with respect to such Borrower, that is not a U.S. Person, and (b) if the applicable Borrower is not a U.S. Person, a Lender, with respect to such Borrower, that is resident or organized under the laws of a jurisdiction other than that in which such Borrower is resident for tax purposes.

“Foreign Plan” means any employee pension benefit plan (within the meaning of Section 3(2) of ERISA, whether or not subject to ERISA) that is not subject to United States or Canadian law, and any Canadian Plan, that is maintained or contributed to by any Loan Party or any ERISA Affiliate.

“Foreign Plan Event” means (a) with respect to any Foreign Plan, (i) the failure to make or, if applicable, accrue in accordance with normal accounting practices, any employer or employee contributions required by applicable law or by the terms of such Foreign Plan, (ii) the failure to register or loss of good standing with applicable regulatory authorities of any such Foreign Plan required to be registered, or (iii) the failure of any Foreign Plan to comply with any material provisions of applicable law and regulations or with the material terms of such Foreign Plan, or (b) a final determination that any Loan Party is responsible for a deficit or funding shortfall in a multi-employer pension plan as that term is defined under applicable Canadian pension and benefits standards statute or regulation or other Canadian Plan administered by an entity other than a Loan Party under a collective bargaining agreement.

“Foreign Subsidiary” means any Subsidiary of MK Holdings which is not a Domestic Subsidiary.

“Foreign Subsidiary Borrower” means (a) from and after the Effective Date, each of MK Canada Holdings, MKE and MK Switzerland (collectively, the “Initial Foreign Subsidiary Borrowers”), so long as no such Subsidiary has ceased to be a Foreign Subsidiary Borrower pursuant to Section 2.23, and (b) any other Eligible Foreign Subsidiary that becomes a Foreign Subsidiary Borrower pursuant to Section 2.23, and that has not ceased to be a Foreign Subsidiary Borrower pursuant to such Section.

“FRBNY” means the Federal Reserve Bank of New York.

“FRBNY Rate” means, for any day, the greater of (a) the Federal Funds Effective Rate in effect on such day and (b) the Overnight Bank Funding Rate in effect on such day; provided that if both such rates are not so published for any day that is a Business Day, the term “FRBNY Rate” means the rate quoted for such day for a federal funds transaction at 11:00 a.m. on such day received by the Administrative Agent from a federal funds broker of recognized standing selected by it; provided, further, that if any of the aforesaid rates shall be less than zero, such rate shall be deemed to be zero for purposes of this Agreement.

“GAAP” means generally accepted accounting principles in the United States of America.

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

“Guarantee” of or by any Person (the “guarantor”) means any obligation, contingent or otherwise, of the guarantor guaranteeing or having the economic effect of guaranteeing any Indebtedness or other obligation of any other Person (the “primary obligor”) in any manner, whether directly or indirectly, and including any obligation of the guarantor, direct or indirect, (a) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other obligation or to purchase (or to advance or supply funds for the purchase of) any security for the payment thereof, (b) to purchase or lease property, securities or services for the purpose of assuring the owner of such Indebtedness or other obligation of the payment thereof, (c) to maintain working capital, equity capital or any other financial statement condition or liquidity of the primary obligor so as to enable the primary obligor to pay such Indebtedness or other obligation or (d) as an account party in respect of any letter of credit or letter of guaranty issued to support such Indebtedness or obligation; provided, that the term Guarantee shall not include endorsements for collection or deposit in the ordinary course of business. For purposes of all calculations provided for in this Agreement, the amount of any Guarantee of any guarantor shall be deemed to be the lower of (x) an amount equal to the stated or determinable amount of the primary obligation in respect of which such Guarantee is made and (y) the maximum amount for which such guarantor may be liable pursuant to the terms of the instrument embodying such Guarantee, unless such primary obligation and the maximum amount for which such guarantor may be liable are not stated or determinable, in which case the amount of such Guarantee shall be such guarantor’s maximum reasonably anticipated liability in respect thereof as determined by MK Holdings in good faith.

“Guarantor” means MK Holdings and each Material Subsidiary that is a party to the Guaranty. The Guarantors on the Effective Date are identified as such in Schedule 3.01 hereto.

“Guaranty” means (a) that certain Amended and Restated Guarantee Agreement dated as of the Effective Date in the form of Exhibit G (including any and all supplements thereto) and executed by each Guarantor party thereto, and (b) in the case of any Guarantor that is a Foreign Subsidiary, any other guaranty agreement executed by such Foreign Subsidiary pursuant to clause (1)(y) of Section 5.09(a).

“Hazardous Materials” means all explosive or radioactive substances or wastes and all hazardous or toxic substances, wastes or other pollutants, including petroleum or petroleum distillates, asbestos or asbestos containing materials, polychlorinated biphenyls, radon gas, infectious or medical wastes and all other substances or wastes of any nature regulated pursuant to any Environmental Law.

“Impacted Interest Period” has the meaning assigned to such term in the definition of “LIBO Rate”.

“Increasing Lender” has the meaning assigned to such term in Section 2.20.

“Incremental Term Loan” has the meaning assigned to such term in Section 2.20.

“Incremental Term Loan Amendment” has the meaning assigned to such term in Section 2.20.

“Indebtedness” of any Person means, without duplication, (a) all obligations of such Person for borrowed money, (b) all obligations of such Person evidenced by bonds, debentures, notes or similar instruments, (c) all obligations of such Person under conditional sale or other title retention agreements relating to property acquired by such Person, (d) all obligations of such Person in respect of the deferred purchase price of property or services (excluding accounts payable incurred in the ordinary course of business and any earnout obligations or similar deferred or contingent purchase price obligations not overdue, which are being contested in good faith or which do not appear as a liability on a balance sheet of such Person incurred in connection with any Acquisition), (e) all Indebtedness of others secured by any Lien on property owned or acquired by such Person (to the extent of such Person’s interest in such property), whether or not the Indebtedness secured thereby has been assumed, (f) all Guarantees by such Person of Indebtedness of others, (g) all Capital Lease Obligations of such Person, (h) the principal component of all obligations, contingent or otherwise, of such Person as an account party in respect of letters of credit and letters of guaranty, (i) all obligations, contingent or otherwise, of such Person in respect of bankers’ acceptances and (j) all net payment and performance obligations of such Person under Swap Agreements. The Indebtedness of any Person shall include the Indebtedness of any other entity (including any partnership in which such Person is a general partner) to the extent such Person is liable therefor as a result of such Person’s ownership interest in or other relationship with such entity, except to the extent the terms of such Indebtedness provide that such Person is not liable therefor. For purposes of all calculations provided for in this Agreement, there shall be disregarded any Guarantee of any Person in respect of any Indebtedness of any other Person with which the accounts of such first Person are then required to be consolidated in accordance with GAAP. For the avoidance of doubt, any amounts available and not drawn under the Commitments shall be deemed not to be Indebtedness and “Indebtedness” shall not include the obligations of any Person to pay rent or other amounts under any lease (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which obligations would be required to be classified and accounted for as an operating lease under GAAP as in effect on the Effective Date. The amount of any net obligation under any Swap Agreement on any date shall be the Swap Termination Value as of such date.

“Indemnified Taxes” means (a) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of any Loan Party under any Loan Document and (b) to the extent not otherwise described in clause (a) hereof, Other Taxes.

“Ineligible Institution” has the meaning assigned to such term in Section 9.04(b).

“Initial Foreign Subsidiary Borrower” has the meaning assigned to such term in the definition of “Foreign Subsidiary Borrower.”

“Insolvent” means, with respect to any Multiemployer Plan, the condition that such Multiemployer Plan is insolvent within the meaning of Section 4245 of ERISA.

“Interest Election Request” means a request by the applicable Borrower to convert or continue a Revolving Borrowing in accordance with Section 2.08 substantially in the form attached hereto as Exhibit I-2.

“Interest Payment Date” means (a) with respect to any ABR Loan (other than a Swingline Loan denominated in Dollars) or Canadian Base Rate Loan, the last day of each March, June, September and December and the Maturity Date, (b) with respect to any Eurocurrency Loan or BA Equivalent Loan, the last day of the Interest Period applicable to the Borrowing of which such Loan is a part and, in the case of a Eurocurrency Borrowing or a BA Equivalent Borrowing with an Interest Period of more than three months’ duration, each day prior to the last day of such Interest Period that occurs at intervals of three months’ duration after the first day of such Interest Period and the Maturity Date and (c) with respect to any Swingline Loan, the day that such Loan is required to be repaid and the Maturity Date.

“Interest Period” means with respect to any Eurocurrency Borrowing or BA Equivalent Borrowing, the period commencing on the date of such Borrowing and ending on the numerically corresponding day in the calendar month that is one, two, three or six months thereafter (or for a period of 28 to 182 days inclusive in the case of a BA Equivalent Borrowing), as the applicable Borrower (or the Company on behalf of the applicable Borrower) may elect; provided, that (i) if any Interest Period would end on a day other than a Business Day, such Interest Period shall be extended to the next succeeding Business Day unless, in the case of a Eurocurrency Borrowing or a BA Equivalent Borrowing, such next succeeding Business Day would fall in the next calendar month, in which case such Interest Period shall end on the next preceding Business Day and (ii) any Interest Period pertaining to a Eurocurrency Borrowing or a BA Equivalent Borrowing that commences on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the last calendar month of such Interest Period) shall end on the last Business Day of the last calendar month of such Interest Period. For purposes hereof, the date of a Borrowing initially shall be the date on which such Borrowing is made and thereafter shall be the effective date of the most recent conversion or continuation of such Borrowing.

“Interpolated Rate” means, at any time, for any Interest Period, the rate per annum determined by the Administrative Agent (which determination shall be conclusive and binding absent manifest error) to be equal to the rate that results from interpolating on a linear basis between: (a) the LIBOR Screen Rate for the longest period (for which the LIBOR Screen Rate is available for the applicable currency) that is shorter than the Impacted Interest Period and (b) the LIBOR Screen Rate for the shortest period (for which the LIBOR Screen Rate is available for the applicable currency) that exceeds the Impacted Interest Period, in each case, at such time.

“Investment” has the meaning assigned to such term in Section 6.04.

“IRS” means the United States Internal Revenue Service.

“Issuing Bank” means JPMorgan Chase Bank, N.A., Citibank, N.A. and each other Lender designated by the Company as an “Issuing Bank” hereunder that has agreed to such designation (and is reasonably acceptable to the Administrative Agent), each in its capacity as an issuer of Letters of Credit hereunder, and its successors in such capacity as provided in Section 2.06(i). Each Issuing Bank may, in its discretion, arrange for one or more Letters of Credit to be issued by Affiliates of such Issuing Bank, in which case the term “Issuing Bank” shall include any such Affiliate with respect to Letters of Credit issued by such Affiliate.

“ITA” means the Income Tax Act (Canada), as amended, and any regulations promulgated thereunder.

“Japanese Yen” means the lawful currency of Japan.

“LC Collateral Account” has the meaning assigned to such term in Section 2.06(j).

“LC Disbursement” means a payment made by an Issuing Bank pursuant to a Letter of Credit.

“LC Exposure” means, at any time, the sum of (a) the aggregate undrawn Dollar Amount of all outstanding Letters of Credit at such time plus (b) the aggregate Dollar Amount of all LC Disbursements that have not yet been reimbursed by or on behalf of the applicable Borrower at such time. The LC Exposure of any Lender at any time shall be its Applicable Percentage of the total LC Exposure at such time.

“Lead Arranger” means (a) each of J.P. Morgan Securities LLC and Citigroup Global Markets Inc., in its capacity as a joint bookrunner for the credit facility evidenced by this Agreement and (b) each of J.P. Morgan Securities LLC, Citigroup Global Markets Inc., Merrill Lynch, Pierce, Fenner & Smith Incorporated and U.S. Bank National Association, as a joint lead arranger for the credit facility evidenced by this Agreement.

“Lenders” means the Persons listed on Schedule 2.01 (including, without limitation, the Persons that are “Lenders” under the Existing Credit Agreement immediately prior to the Effective Date) and any other Person that shall have become a Lender hereunder pursuant to Section 2.20 or pursuant to an Assignment and Assumption or other documentation contemplated thereby, other than any such Person that ceases to be a party hereto pursuant to an Assignment and Assumption or other documentation contemplated thereby. Unless the context otherwise requires, the term “Lenders” includes the Swingline Lender and each Issuing Bank.

“Letter of Credit” means any Commercial Letter of Credit or Standby Letter of Credit, including the Existing Letters of Credit.

“Letter of Credit Commitment” means, with respect to each Issuing Bank, the commitment of such Issuing Bank to issue Letters of Credit hereunder. The initial amount of each Issuing Bank’s Letter of Credit Commitment is set forth on Schedule 2.02, or if an Issuing Bank has entered into an Assignment and Assumption, the amount set forth for such Issuing Bank as its Letter of Credit Commitment in the Register maintained by the Administrative Agent. Each Issuing Bank’s Letter of Credit Commitment may be decreased or increased from time to time with the written consent of the Company, the Administrative Agent and the Issuing Banks; provided that any increase in the Letter of Credit Commitment with respect to any Issuing Bank, or any decrease in the Letter of Credit Commitment with respect to any Issuing Bank to an amount not less than such Issuing Bank’s Letter of Credit Commitment as of the Effective Date or such other date

of its initial Letter of Credit Commitment, shall only require the consent of the Company and such Issuing Bank.

“Leverage Ratio” means the ratio of (i) Consolidated Total Indebtedness as of the last day of the Test Period ending on the last day of any fiscal quarter plus 600% of Consolidated Lease Expense for such Test Period to (ii) Consolidated EBITDAR for such Test Period, all calculated for MK Holdings and its Subsidiaries on a consolidated basis. In the event that MK Holdings or any Subsidiary shall have completed a Material Acquisition or a Material Disposition since the beginning of the relevant Test Period, the Leverage Ratio shall be determined for such period on a Pro Forma Basis as if such acquisition or disposition, and any related incurrence or repayment of Indebtedness, had occurred at the beginning of such Test Period.

“LIBO Rate” means, with respect to any Eurocurrency Borrowing denominated in any Agreed Currency (other than Canadian Dollars) and for any applicable Interest Period, the London interbank offered rate as administered by ICE Benchmark Administration (or any other Person that takes over the administration of such rate) for such Agreed Currency for a period equal in length to such Interest Period as displayed on pages LIBOR01 or LIBOR02 of the Reuters screen or, in the event such rate does not appear on either of such Reuters pages, on any successor or substitute page on such screen that displays such rate, or on the appropriate page of such other information service that publishes such rate as shall be selected by the Administrative Agent from time to time in its reasonable discretion (in each case the “LIBOR Screen Rate”) at approximately 11:00 a.m., London time, on the Quotation Day for such Agreed Currency and Interest Period; provided that, if the applicable LIBOR Screen Rate shall be less than zero, such rate shall be deemed to be zero for the purposes of this Agreement; provided, further, that if a LIBOR Screen Rate shall not be available at such time for such Interest Period (the “Impacted Interest Period”) with respect to such Agreed Currency, then the LIBOR Screen Rate for such Agreed Currency and such Interest Period shall be the Interpolated Rate at such time; provided, that, if any Interpolated Rate shall be less than zero, such rate shall be deemed to be zero for the purposes of this Agreement. It is understood and agreed that all of the terms and conditions of this definition of “LIBO Rate” shall be subject to Section 2.14.

“LIBOR Screen Rate” has the meaning assigned to such term in the definition of “LIBO Rate”.

“Lien” means, with respect to any asset, (a) any mortgage, deed of trust, lien, pledge, hypothecation, encumbrance, charge or security interest in, on or of such asset, (b) the interest of a vendor or a lessor under any conditional sale agreement, capital lease or title retention agreement (or any financing lease having substantially the same economic effect as any of the foregoing) relating to such asset and (c) in the case of securities, any purchase option, call or similar right of a third party with respect to such securities.

“Loan Documents” means this Agreement, each Borrowing Subsidiary Agreement, each Borrowing Subsidiary Termination, the Guaranty, any promissory notes issued pursuant to Section 2.10(e), any agreements between the Company and an Issuing Bank regarding the Issuing Bank’s Letter of Credit Commitment and any Letter of Credit applications now or hereafter executed by or on behalf of any Loan Party and delivered to the Administrative Agent or any Lender in connection with this Agreement or the transactions contemplated hereby. Any reference in this Agreement or any other Loan Document to a Loan Document shall include all appendices, exhibits or schedules thereto, and all amendments, restatements, supplements or other modifications thereto, and shall refer to this Agreement or such Loan Document as the same may be in effect at any and all times such reference becomes operative.

“Loan Parties” means, collectively, the Borrowers and the Guarantors.

“Loans” means the loans made by the Lenders to the Borrowers pursuant to this Agreement.

“Local Time” means (i) New York City time in the case of a Loan, Borrowing or LC Disbursement denominated in Dollars, (ii) Toronto, Canada time in the case of a Canadian Borrowing and related Loans and (iii) local time in the case of a Loan, Borrowing or LC Disbursement (other than a Canadian Borrowing) denominated in a Foreign Currency (it being understood that such local time shall mean London, England time unless otherwise notified by the Administrative Agent).

“Material Acquisition” means any Acquisition that involves the payment of consideration by MK Holdings and its Subsidiaries in excess of \$20,000,000.

“Material Adverse Effect” means a material adverse effect on (a) the business, assets, operations, property or financial condition of MK Holdings and its Subsidiaries taken as a whole or (b) the rights and remedies, taken as a whole, of the Administrative Agent and the Lenders under the Loan Documents.

“Material Disposition” means any Disposition, or a series of related Dispositions, of (a) all or substantially all of the issued and outstanding Equity Interests in any Person or (b) assets comprising all or substantially all of the assets of any Person or a business unit of any Person, in each case in excess of \$20,000,000.

“Material Indebtedness” means Indebtedness (other than the Loans and Letters of Credit), of any one or more of the Company and its Subsidiaries in an aggregate principal amount exceeding \$50,000,000.

“Material Subsidiary” means (a) each Subsidiary that is a Borrower and (b) each other Subsidiary (i) which, as of the last day of the most recent Test Period ending with the fiscal period for which financial statements have been delivered pursuant to Section 5.01(a) or (b) (or, if prior to the date of the delivery of the first financial statements to be delivered pursuant to Section 5.01(a) or (b), the most recent financial statements referred to in Section 3.04(a)), contributed greater than five percent (5%) of Consolidated EBITDAR for such Test Period or (ii) which contributed greater than five percent (5%) of Consolidated Total Assets as of such date; provided that, if at any time the aggregate amount of Consolidated EBITDAR or Consolidated Total Assets attributable to all Subsidiaries that are not Material Subsidiaries exceeds twenty percent (20%) of Consolidated EBITDAR for any such Test Period or twenty percent (20%) of Consolidated Total Assets as of such date, MK Holdings shall, within ten (10) days after the delivery of the applicable compliance certificate pursuant to Section 5.01(c), designate sufficient Subsidiaries as “Material Subsidiaries” to eliminate such excess, and such designated Subsidiaries shall for all purposes of this Agreement constitute Material Subsidiaries. The failure of MK Holdings to designate sufficient Subsidiaries as “Material Subsidiaries” in accordance with the sentence above shall constitute an Event of Default under clause (e) of Article VII (subject to the grace periods specified therein).

“Maturity Date” means October 29, 2020, as extended (in the case of each Lender consenting thereto) pursuant to Section 2.27.

“MK Canada Holdings” means Michael Kors (Canada) Holdings Ltd., a company limited by shares incorporated under the laws of the Province of Nova Scotia.

“MK Holdings” means Michael Kors Holdings Limited, a British Virgin Islands company.

“MKE” means Michael Kors (Europe) B.V., a Dutch *besloten vennootschap met beperkte aansprakelijkheid* with its corporate seat in Amsterdam, the Netherlands and as registered with the trade register of the Dutch Chamber of Commerce under number 34301064.

“MK Switzerland” means Michael Kors (Switzerland) GmbH, a company organized under the laws of Switzerland.

“Moody’s” means Moody’s Investors Service, Inc.

“Multiemployer Plan” means a multiemployer plan as defined in Section 4001(a)(3) of ERISA to which any Loan Party or any ERISA Affiliate contributes or has an obligation to contribute.

“Obligations” means all unpaid principal of and accrued and unpaid interest on the Loans, all LC Exposure, all accrued and unpaid fees and all expenses, reimbursements, indemnities and other obligations and indebtedness (including interest and fees accruing during the pendency of any bankruptcy, insolvency, receivership or other similar proceeding, regardless of whether allowed or allowable in such proceeding), obligations and liabilities of any of MK Holdings and its Subsidiaries to any of the Lenders, the Administrative Agent, any Issuing Bank or any indemnified party, individually or collectively, existing on the Original Effective Date or arising thereafter, direct or indirect, joint or several, absolute or contingent, matured or unmatured, liquidated or unliquidated, secured or unsecured, arising by contract, operation of law or otherwise, arising or incurred under this Agreement or any of the other Loan Documents or to the Lenders or any of their Affiliates under any Swap Agreement or any Banking Services Agreement or in respect of any of the Loans made or reimbursement or other obligations incurred or any of the Letters of Credit or other instruments at any time evidencing any thereof; provided that the definition of “Obligations” shall not create or include any guarantee by any Loan Party of (or grant of security interest by any Loan Party to support, as applicable) any Excluded Swap Obligations of such Loan Party for purposes of determining any obligations of any Loan Party.

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

“Original Effective Date” means February 8, 2013.

“Other Connection Taxes” means, with respect to any Recipient, Taxes imposed as a result of a present or former connection between such Recipient and the jurisdiction imposing such Tax (other than connections arising from such Recipient having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Loan Document, or sold or assigned an interest in any Loan, Letter of Credit or Loan Document).

“Other Taxes” means all present or future stamp, court or documentary, intangible, recording, filing or similar Taxes that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, any Loan Document, except any such Taxes that are Other Connection Taxes imposed with respect to an assignment (other than an assignment made pursuant to Section 2.19).

“Overnight Bank Funding Rate” means, for any day, the rate comprised of both overnight federal funds and overnight Eurodollar borrowings by U.S.–managed banking offices of depository

institutions (as such composite rate shall be determined by the FRBNY as set forth on its public website from time to time) and published on the next succeeding Business Day by the FRBNY as an overnight bank funding rate (from and after such date as the FRBNY shall commence to publish such composite rate).

“Overnight Foreign Currency Rate” means, for any amount payable in a Foreign Currency, the rate of interest per annum as determined by the Administrative Agent at which overnight or weekend deposits in the relevant currency (or if such amount due remains unpaid for more than three (3) Business Days, then for such other period of time as the Administrative Agent may elect) for delivery in immediately available and freely transferable funds would be offered by the Administrative Agent to major banks in the interbank market upon request of such major banks for the relevant currency as determined above and in an amount comparable to the unpaid principal amount of the related Credit Event, plus any taxes, levies, imposts, duties, deductions, charges or withholdings imposed upon, or charged to, the Administrative Agent by any relevant correspondent bank in respect of such amount in such relevant currency.

“Parent” means, with respect to any Lender, any Person as to which such Lender is, directly or indirectly, a subsidiary.

“Participant” has the meaning assigned to such term in Section 9.04.

“Participant Register” has the meaning assigned to such term in Section 9.04(c).

“Participating Member State” means any member state of the European Union that adopts or has adopted the euro as its lawful currency in accordance with legislation of the European Union relating to economic and monetary union.

“Patriot Act” has the meaning assigned to such term in Section 9.13(a).

“PBGC” means the Pension Benefit Guaranty Corporation referred to and defined in ERISA and any successor entity performing similar functions.

“Permitted Acquisition” means any Acquisition; provided that (a) the assets so acquired or, as the case may be, the assets of the Person so acquired shall be in a Related Line of Business, (b) no Default shall have occurred and be continuing at the time thereof or would result therefrom, (c) such Acquisition shall be effected in such manner so that the acquired Equity Interests, assets or rights are owned either by MK Holdings or a Subsidiary and, if effected by merger, consolidation or amalgamation, the continuing, surviving or resulting entity shall be MK Holdings or a Subsidiary, subject to Section 6.03 and (d) the Leverage Ratio, on a Pro Forma Basis after giving effect to such acquisition, recomputed as at the last day of the most recently ended fiscal quarter of MK Holdings for which financial statements are available, as if such acquisition had occurred on the first day of each relevant period for testing such compliance, shall not exceed 3.50 to 1.00.

“Permitted Encumbrances” means:

(a) Liens imposed by law for Taxes that are not yet due or are being contested in compliance with Section 5.04;

(b) landlords’, carriers’, warehousemen’s, mechanics’, shippers’, materialmen’s, repairmen’s and other like Liens imposed by law, arising in the ordinary course of business and

securing obligations that are not overdue by more than 45 days or are being contested in compliance with Section 5.04;

(c) pledges and deposits made in connection with workers' compensation, unemployment insurance, old age pensions and other social security laws or regulations, and pledges and deposits securing liability to insurance carriers under insurance or self-insurance arrangements;

(d) Liens, pledges and deposits to secure the performance of tenders, bids, trade contracts, leases, public or statutory obligations, warranty requirements, customs, surety and appeal bonds, bonds posted in connection with actions, suits or proceedings, performance and bid bonds and other obligations of a like nature (including those to secure health, safety and environmental obligations), in each case in the ordinary course of business or letters of credit or guarantees issued in respect thereof;

(e) Liens incurred in the ordinary course of business in connection with the sale, lease, transfer or other disposition of any credit card receivables of the Company or any of its Subsidiaries;

(f) judgment, attachment or other similar liens in respect of judgments that do not constitute an Event of Default under clause (k) of Article VII;

(g) easements, zoning restrictions, restrictive covenants, encroachments, rights-of-way and similar encumbrances on real property imposed by law or arising in the ordinary course of business that do not materially detract from the value of the affected property or interfere with the ordinary conduct of business of the Company or any Subsidiary;

(h) possessory Liens in favor of brokers and dealers arising in connection with the acquisition or disposition of Permitted Investments; and

(i) any security and/or right of set-off arising under the general terms and conditions (*algemene bankvoorwaarden*) or the equivalent thereof in any jurisdiction of banking and financing institutions;

provided that the term "Permitted Encumbrances" shall not include any Lien securing Indebtedness.

" Permitted Factoring Program " means the sale by MK Holdings or its Subsidiaries of accounts receivable originated by MK Holdings or such Subsidiaries to a third-party factor in the ordinary course of business and consistent with past practice and on a basis that is non-recourse to MK Holdings and its Subsidiaries other than limited recourse customary for factoring transactions of a similar kind.

" Permitted Investments " means:

(a) direct obligations of, or obligations the principal of and interest on which are directly and fully guaranteed or insured by, the United States of America (or by any agency thereof to the extent such obligations are backed by the full faith and credit of the United States of America) or any Participating Member State;

(b) investments in commercial paper having, at such date of acquisition, a credit rating of at least A-2 from S&P or P-2 from Moody's;

(c) investments in demand deposits, certificates of deposit, eurocurrency time deposits, banker's acceptances and time deposits issued or guaranteed by or placed with, and money market deposit accounts issued or offered by, any Lender or any commercial bank which has a combined capital and surplus and undivided profits of not less than \$100,000,000;

(d) repurchase agreements with a term of not more than 180 days for securities described in clause (a) above and entered into with a financial institution satisfying the criteria described in clause (c) above;

(e) securities with maturities of three years or less from the date of acquisition issued or fully guaranteed by any state, commonwealth or territory of the United States or by any political subdivision or taxing authority of any such state, commonwealth or territory or by any foreign government, the securities of which state, commonwealth or territory, political subdivision, taxing authority or foreign government (as the case may be) are rated, at such date of acquisition, at least A- by S&P or A3 by Moody's;

(f) securities with maturities of three years or less from the date of acquisition backed by standby letters of credit issued by any Lender or any commercial bank satisfying the requirements of clause (c) of this definition;

(g) shares of money market funds that (i) comply with the criteria set forth in (a) Securities and Exchange Commission Rule 2a-7 under the Investment Company Act of 1940, as amended or (b) Securities and Exchange Commission Rule 3c-7 under the Investment Company Act of 1940, as amended and (ii) have portfolio assets of at least (x) in the case of funds that invest exclusively in assets satisfying the requirements of clause (a) of this definition, \$250,000,000 and (y) in all other cases, \$500,000,000;

(h) in the case of investments by any Foreign Subsidiary, obligations of a credit quality and maturity comparable to that of the items referred to in clauses (a) through (g) above that are available in local markets;

(i) corporate debt obligations with a Moody's rating of at least A3 or an S&P rating of at least A-, or their equivalent, as follows: (i) corporate notes and bonds and (ii) medium term notes; and

(j) mutual funds which invest primarily in the securities described in clauses (a) through (d) above.

“Person” means any natural person, corporation, limited liability company, unlimited company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

“Plan” means any employee pension benefit plan (within the meaning of Section 3(2) of ERISA, but not including any Multiemployer Plan) subject to the provisions of Title IV of ERISA or Section 412 of the Code or Section 302 of ERISA, and in respect of which any Loan Party or any ERISA Affiliate is (or, if such plan were terminated, would under Section 4069 of ERISA be deemed to be) an “employer” (as defined in Section 3(5) of ERISA).

“Platform” means Debt Domain, Intralinks, Syndtrak or a substantially similar electronic transmission system.

“Pounds Sterling” or “£” means the lawful currency of the United Kingdom.

“ Prime Rate ” means the rate of interest per annum publicly announced from time to time by JPMorgan Chase Bank, N.A. as its prime rate in effect at its principal office in New York City; each change in the Prime Rate shall be effective from and including the date such change is publicly announced as being effective.

“ Pro Forma Basis ” means, with respect to compliance with any test, covenant or calculation of any ratio hereunder, the determination or calculations of such test, covenant or ratio on a pro forma basis in accordance with Section 1.04(b).

“ Priority Indebtedness ” means (a) Indebtedness of MK Holdings or any Subsidiary (other than that described in Section 6.01(e)) secured by any Lien on any asset(s) of MK Holdings or any Subsidiary and (b) Indebtedness of any Subsidiary of MK Holdings which is not a Loan Party, in each case owing to a Person other than MK Holdings or any Subsidiary.

“ Qualifying Recipient ” means:

(a) a Recipient which is beneficially entitled to interest payable to that Recipient in respect of an applicable interest in a Loan, Letter of Credit or Commitment and is:

(i) a Recipient:

(A) which is a bank (as defined for the purpose of section 879 of the Income Tax Act 2007) making an advance made under an applicable interest in a Loan, Letter of Credit or Commitment and is within the charge to United Kingdom corporation tax as respects any payments of interest made in respect of that advance or would be within such charge as respects such payment apart from section 18A of the Corporation Tax Act 2009; or

(B) in respect of an advance made under an applicable interest in a Loan, Letter of Credit or Commitment by a person that was a bank (as defined for the purpose of section 879 of the Income Tax Act 2007) at the time that that advance was made and within the charge to United Kingdom corporation tax as respects any payments of interest made in respect of that advance; or

(ii) a Recipient which is:

(A) a company resident in the United Kingdom for United Kingdom tax purposes;

(B) a partnership each member of which is:

a. a company so resident in the United Kingdom; or

b. a company not so resident in the United Kingdom which carries on a trade in the United Kingdom through a permanent establishment and which brings into account in computing its chargeable profits (within the meaning of section 19 of the Corporation Tax Act 2009) the whole of any share of interest payable in respect of that advance that falls to it by reason of Part 17 of the Corporation Tax Act 2009;

(C) a company not so resident in the United Kingdom which carries on a trade in the United Kingdom through a permanent establishment and which brings into account interest payable in respect of that advance in computing the chargeable profits (within the meaning of section 19 of the Corporation Tax Act 2009) of that company; or

(iii) a Treaty Recipient; or

(b) a Recipient which is a building society (as defined for the purposes of section 880 of the Income Tax Act 2007) making an advance under an applicable interest in a Loan, Letter of Credit or Commitment.

“Quotation Day” means, with respect to any Eurocurrency Borrowing for any Interest Period, (i) if the currency is Pounds Sterling, the first day of such Interest Period, (ii) if the currency is euro, the day that is two (2) TARGET2 Days before the first day of such Interest Period, and (iii) for any other currency, two (2) Business Days prior to the commencement of such Interest Period (unless, in each case, market practice differs in the relevant market where the LIBO Rate for such currency is to be determined, in which case the Quotation Day will be determined by the Administrative Agent in accordance with market practice in such market (and if quotations would normally be given on more than one day, then the Quotation Day will be the last of those days)).

“Recipient” means (a) the Administrative Agent, (b) any Lender and (c) any Issuing Bank, as applicable.

“Reference Bank Rate” means the arithmetic mean of the rates (rounded upwards to four decimal places) supplied to the Administrative Agent at its request by the Reference Banks (as the case may be) as of the applicable time on the Quotation Day for Loans in the applicable currency and the applicable Interest Period as the rate at which the relevant Reference Bank could borrow funds in the London (or other applicable) interbank market in the relevant currency and for the relevant period, were it to do so by asking for and then accepting interbank offers in reasonable market size in that currency and for that period.

“Reference Banks” means the principal London (or other applicable) offices of JPMorgan Chase Bank, N.A. and such other banks as may be appointed by the Administrative Agent in consultation with the Company. No Lender shall be obligated to be a Reference Bank without its consent.

“Register” has the meaning assigned to such term in Section 9.04.

“Regulation” means the Council of the European Union Regulation No. 1346/2000 on Insolvency Proceedings.

“Related Line of Business” means: (a) any line of business in which MK Holdings or any of its Subsidiaries is engaged as of, or immediately prior to, the Effective Date, (b) any wholesale, retail or other distribution of products or services under any domestic or foreign patent, trademark, service mark, trade name, copyright or license or (c) any similar, ancillary or related business and any business which provides a service and/or supplies products in connection with any business described in clause (a) or (b) above.

“Related Parties” means, with respect to any specified Person, such Person’s Affiliates and the respective directors, officers, employees, agents and advisors of such Person and such Person’s Affiliates.

“Reorganization” means, with respect to any Multiemployer Plan, the condition that such plan is in reorganization within the meaning of Section 4241 of ERISA.

“Reportable Event” means any “reportable event,” as defined in Section 4043(c) of ERISA or the regulations issued thereunder, with respect to a Plan, other than those events as to which notice is waived pursuant to DOL Regulation Section 4043 as in effect on the date hereof (no matter how such notice requirement may be changed in the future).

“Required Lenders” means, subject to Section 2.24, at any time, Lenders having Revolving Credit Exposures and unused Commitments representing more than 50% of the sum of the total Revolving Credit Exposures and unused Commitments at such time.

“Requirement of Law” means, as to any Person, the Articles or Certificate of Incorporation and By-Laws, Articles or Certificate of Formation and Operating Agreement, or Certificate of Partnership or partnership agreement or other organizational or governing documents of such Person, and any law, treaty, rule or regulation or determination of an arbitrator or a court or other Governmental Authority, in each case applicable to or binding upon such Person or any of its property or to which such Person or any of its property is subject.

“Restricted Payment” means any dividend or other distribution (whether in cash, securities or other property) with respect to any Equity Interests in MK Holdings or any Subsidiary, or any payment (whether in cash, securities or other property), including any sinking fund or similar deposit, on account of the purchase, redemption, retirement, acquisition, cancellation or termination of any such Equity Interests in MK Holdings or any Subsidiary or any option, warrant or other right to acquire any such Equity Interests in MK Holdings or any Subsidiary.

“Revolving Credit Exposure” means, with respect to any Lender at any time, the sum of the outstanding principal amount of such Lender’s Revolving Loans and its LC Exposure and Swingline Exposure at such time.

“Revolving Loan” means a Loan made pursuant to Section 2.01.

“S&P” means Standard & Poor’s Ratings Services, a Standard & Poor’s Financial Services LLC business.

“Sanctioned Country” means, at any time, a country, region or territory which is itself the subject or target of any Sanctions (as of the Effective Date, including, Crimea, Cuba, Iran, North Korea, Sudan and Syria).

“Sanctioned Person” means, at any time, (a) any Person listed in any Sanctions-related list of designated Persons maintained by OFAC, the U.S. Department of State, the United Nations Security Council, the European Union or any European Union member state, (b) any Person operating, organized or resident in a Sanctioned Country or (c) any Person owned or controlled by any such Person or Persons described in the foregoing clauses (a) or (b).

“Sanctions” means all economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time by (a) the U.S. government, including those administered by OFAC or the U.S. Department of State, (b) the United Nations Security Council, the European Union, any European Union member state or Her Majesty’s Treasury of the United Kingdom or (c) any other applicable sanctions authority.

“SEC” means the United States Securities and Exchange Commission.

“Senior Managing Agent” means each of HSBC Bank USA, National Association, The Bank of Tokyo-Mitsubishi UFJ, Ltd., Capital One, National Association and Wells Fargo Bank, National Association, in its capacity as senior managing agent for the credit facility evidenced by this Agreement.

“Specified Swap Obligation” means, with respect to any Loan Party, any obligation to pay or perform under any agreement, contract or transaction that constitutes a “swap” within the meaning of Section 1a(47) of the Commodity Exchange Act or any rules or regulations promulgated thereunder.

“Standby Letter of Credit” means an irrevocable letter of credit issued pursuant to this Agreement by an Issuing Bank pursuant to which such Issuing Bank agrees to make payments in an Agreed Currency for the account of any Borrower, or, subject to Section 2.06(a), any Subsidiary or other Loan Party, in respect of obligations of such Person incurred pursuant to contracts made or performances undertaken or to be undertaken or like matters relating to contracts to which such Person is or proposes to become a party in furtherance of such Person’s good faith business purposes, including, but not limited to, for insurance purposes and in connection with lease transactions.

“Statutory Reserve Rate” means a fraction (expressed as a decimal), the numerator of which is the number one and the denominator of which is the number one minus the aggregate of the maximum reserve, liquid asset, fees or similar requirements (including any marginal, special, emergency or supplemental reserves or other requirements) established by any central bank, monetary authority, the Board, the Financial Conduct Authority, the Prudential Regulation Authority, the European Central Bank or other Governmental Authority for any category of deposits or liabilities customarily used to fund loans in the applicable currency, expressed in the case of each such requirement as a decimal. Such reserve, liquid asset, fees or similar requirements shall include those imposed pursuant to Regulation D of the Board. Eurocurrency Loans shall be deemed to be subject to such reserve, liquid asset, fee or similar requirements without benefit of or credit for proration, exemptions or offsets that may be available from time to time to any Lender under any applicable law, rule or regulation, including Regulation D of the Board. The Statutory Reserve Rate shall be adjusted automatically on and as of the effective date of any change in any reserve, liquid asset or similar requirement.

“Subordinated Indebtedness” means Indebtedness that is subordinated in right of payment to the Obligations.

“subsidiary” means, with respect to any Person (the “parent”) at any date, any corporation, limited liability company, partnership, association or other entity the accounts of which would be consolidated with those of the parent in the parent’s consolidated financial statements if such financial statements were prepared in accordance with GAAP as of such date, as well as any other corporation, limited liability company, partnership, association or other entity (a) of which securities or other ownership interests representing more than 50% of the equity or more than 50% of the ordinary voting power or, in the case of a partnership, more than 50% of the general partnership interests are, as of such date, owned, Controlled or held, or (b) that is, as of such date, otherwise Controlled, by the parent or one or more subsidiaries of the parent or by the parent and one or more subsidiaries of the parent.

“Subsidiary” means, unless the context otherwise requires, any subsidiary of MK Holdings.

“Swap Agreement” means any agreement with respect to any swap, forward, future or derivative transaction or option, cap or collar agreements or similar agreement involving, or settled by reference to, one or more interest or exchange rates, currencies, commodities, equity or debt instruments or

securities, or economic, financial or pricing indices or measures of economic, financial or pricing risk or value or any similar transaction or any combination of these transactions; provided that no phantom stock or similar plan providing for payments only on account of services provided by current or former directors, officers, employees or consultants of the Company or the Subsidiaries shall be a Swap Agreement.

“ Swap Termination Value ” means, in respect of any one or more Swap Agreements, after taking into account the effect of any legally enforceable netting agreement relating to such Swap Agreements, (a) for any date on or after the date such Swap Agreements have been closed out and termination value(s) determined in accordance therewith, such termination value(s), and (b) for any date prior to the date referenced in clause (a), the amount(s) determined as the mark-to-market value(s) for such Swap Agreements, as determined based upon one or more mid-market or other readily available quotations provided by any recognized dealer in such Swap Agreements (which may include a Lender or any Affiliate of a Lender).

“ Swingline Exposure ” means, at any time, the aggregate principal Dollar Amount of all Swingline Loans outstanding at such time. The Swingline Exposure of any Lender at any time shall be its Applicable Percentage of the total Swingline Exposure at such time.

“ Swingline Lender ” means JPMorgan Chase Bank, N.A., in its capacity as lender of Swingline Loans hereunder, and its successors in such capacity.

“ Swingline Loan ” means a Loan made pursuant to Section 2.05 (for the avoidance of doubt, each Swiss Swingline Loan is a Swingline Loan).

“ Swiss Borrower ” means (i) MK Switzerland and (ii) any other Borrower incorporated in Switzerland and/or qualifying as a Swiss resident pursuant to Article 9 of the Swiss Federal Withholding Tax Act.

“ Swiss Federal Withholding Tax Act ” means the Swiss Federal Withholding Tax Act (Bundesgesetz über die Verrechnungssteuer vom 13. Oktober 1965); together with the related ordinances, regulations and guidelines, all as amended and applicable from time to time.

“ Swiss Francs ” means the lawful currency of Switzerland.

“ Swiss Guidelines ” means, together, the guideline “Interbank Loans” of 22 September 1986 (S- 02.123) (Merkblatt “Verrechnungssteuer auf Zinsen von Bankguthaben, deren Gläubiger Banken sind (Interbankguthaben)” vom 22. September 1986), the guideline “Syndicated Loans” of January 2000 (S-02.128) (Merkblatt “Steuerliche Behandlung von Konsortialdarlehen, Schuldscheindarlehen, Wechseln und Unterbeteiligungen” vom Januar 2000), the guideline S-02.130.1 in relation to money market instruments and book claims of April 1999 (Merkblatt vom April 1999 betreffend Geldmarktpapiere und Buchforderungen inländischer Schuldner), the guideline “Bonds” of April 1999 (S-02.122.1) (Merkblatt “Obligationen” vom April 1999), the circular letter No. 34 “Customer Credit Balances” of 26 July 2011 (1-034-V-2011) (Kreisschreiben Nr. 34 “Kundenguthaben” vom 26. Juli 2011), the circular letter No. 15 of 7 February 2007 (1-015-DVS-2007) in relation to bonds and derivative financial instruments as subject matter of taxation of Swiss federal income tax, Swiss Federal Withholding Tax and Swiss Federal Stamp Taxes (Kreisschreiben Nr. 15 “Obligationen und derivative Finanzinstrumente als Gegenstand der direkten Bundessteuer, der Verrechnungssteuer und der Stempelabgaben” vom 7. Februar 2007); all as issued, and as amended or replaced from time to time, by the Swiss Federal Tax Administration or as substituted or superseded and overruled by any law, statute, ordinance, regulation, court decision or the like.

“ Swiss Insolvency Event ” means any one or more of the following with respect to any Swiss Loan Party: it is unable or admits in writing its inability to pay its debts as they fall due or otherwise is, or admits in writing that it is, insolvent (*zahlungsunfähig*), suspends making payments on any of its debts within the meaning of Article 190 section (1) no. (1) of the Swiss Federal Law Concerning Debt Enforcement and Bankruptcy (*Bundesgesetz über Schuldbetreibung und Konkurs*) 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 or files a petition for the opening of bankruptcy proceedings because of insolvency (*Zahlungsunfähigkeit*) pursuant to Article 191 section (1) of the Swiss Federal Law Concerning Debt Enforcement and Bankruptcy (*Bundesgesetz über Schuldbetreibung und Konkurs*).

“ Swiss Loan Party ” means any Loan Party incorporated under the laws of Switzerland.

“ Swiss Non-Bank Rules ” means the Swiss Ten Non-Bank Rule and the Swiss Twenty Non-Bank Rule.

“ Swiss Non-Qualifying Bank ” means a financial institution or other entity which does not qualify as a Swiss Qualifying Bank.

“ Swiss Qualifying Bank ” means any person or entity acting on its own account which has a banking license in force and effect issued in accordance with the banking laws in its jurisdiction of incorporation, or if acting through a branch, issued in accordance with the banking laws in the jurisdiction of such branch, and which, in both cases, effectively conducts banking activities as its principal purpose with its own infrastructure, staff and authority of decision making, all in accordance with the Swiss Guidelines.

“ Swiss Subsidiary ” means any Subsidiary incorporated in Switzerland.

“ Swiss Swingline Loan ” means a Loan made to MK Switzerland in an Agreed Currency (other than Canadian Dollars) bearing interest at the Overnight Foreign Currency Rate pursuant to Section 2.05.

“ Swiss Ten Non-Bank Rule ” means the rule that the aggregate number of creditors or deemed creditors (other than Swiss Qualifying Banks) of any Swiss Borrower under this Agreement must not at any time exceed 10 (ten), all in accordance with the meaning of the Swiss Guidelines.

“ Swiss Twenty Non-Bank Rule ” means the rule that (without duplication) the aggregate number of creditors or deemed creditors (including the Lenders), other than Swiss Qualifying Banks, of any Swiss Borrower under all outstanding debts relevant for classification as debenture (*Kassenobligation*) (including debt arising under this Agreement and intra-group loans (if and to the extent intra-group loans are not exempt in accordance with the ordinance of the Swiss Federal Council of 18 June 2010 amending the Swiss Federal Ordinance on withholding tax and the Swiss Federal Ordinance on stamp duties with effect as of 1 August 2010), loans, facilities and/or private placements (including under this Agreement) must not, at any time, exceed twenty (20); all in accordance with the meaning of the Swiss Guidelines.

“ Swiss Withholding Tax ” means any Taxes levied pursuant to the Swiss Federal Withholding Tax Act.

“ TARGET2 ” means the Trans-European Automated Real-time Gross Settlement Express Transfer (TARGET2) payment system (or, if such payment system ceases to be operative, such other payment

system (if any) reasonably determined by the Administrative Agent to be a suitable replacement) for the settlement of payments in euro.

“TARGET2 Day” means a day that TARGET2 is open for the settlement of payments in euro.

“Taxes” means all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

“Test Period” means, as of any date of determination, the period of four consecutive fiscal quarters of MK Holdings most recently ended on or prior to such date.

“Transactions” means the execution, delivery and performance by the Loan Parties of this Agreement and the other Loan Documents, the borrowing of Loans and other credit extensions, the use of the proceeds thereof and the issuance of Letters of Credit hereunder.

“Treaty Recipient” means a Recipient which:

- (a) is treated as a resident of a Treaty State for the purposes of a Treaty;
- (b) does not carry on a business in the United Kingdom through a permanent establishment with which that Recipient’s participation in the Loan is effectively connected; and
- (c) qualifies for full exemption from UK income tax on payments of interest to or for the account of a Recipient with respect to an applicable interest in a Loan, Letter of Credit or Commitment, subject to the completion of necessary procedural formalities.

“Treaty State” means a jurisdiction having a double taxation agreement (a “Treaty”) with the United Kingdom which makes provision for full exemption from UK income tax on interest.

“Type”, when used in reference to any Loan or Borrowing, refers to whether the rate of interest on such Loan, or on the Loans comprising such Borrowing, is determined by reference to the Adjusted LIBO Rate, the Alternate Base Rate, the BA Rate or the Canadian Prime Rate.

“UK Insolvency Event” means:

(a) a UK Relevant Entity is unable or admits inability to pay its debts as they fall due (other than debts owed to MK Holdings or a Subsidiary or solely by reason of balance sheet liabilities exceeding balance sheet assets), suspends making payments on any of its material debts or, by reason of actual or anticipated financial difficulties, commences negotiations with one or more class of creditors (other than pursuant to the Loan Documents) with a view to rescheduling any of its material indebtedness;

(b) any corporate action, legal proceedings or other procedure or step is taken in relation to:

- (i) the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration or reorganization (by way of voluntary arrangement, scheme of arrangement or otherwise) of any UK Relevant Entity;

(ii) (by reason of actual or anticipated financial difficulties) a composition, compromise, assignment or arrangement with any class of creditors of any UK Relevant Entity;

(iii) the appointment of a liquidator, receiver, administrative receiver, administrator, compulsory manager or other similar officer in respect of any UK Relevant Entity, or all or substantially all of its assets; or

(iv) enforcement of any Lien over any material asset of any UK Relevant Entity,

or any analogous procedure or step is taken in any jurisdiction, save that this paragraph (b) shall not apply to (i) any involuntary proceeding or procedure that is discharged or dismissed within 60 days of commencement, or (ii) any solvent liquidation or reorganization of any Subsidiary incorporated under the laws of England and Wales which is not a Loan Party so long as any payments or assets distributed as a result of such liquidation or reorganization are distributed to other Subsidiaries; and

(c) any expropriation, attachment, sequestration, distress or execution affects any asset or assets of a UK Relevant Entity, except where such action does not, and would not reasonably be expected to, have a Material Adverse Effect.

“UK Loan Party” means any Loan Party that is:

(a) incorporated under the laws of England and Wales;

(b) resident for tax purposes in the UK; or

(c) not so resident in the UK which carries on a trade in the UK through a permanent establishment and which brings into account interest payable in respect of an applicable interest in a Loan, Letter of Credit or Commitment in computing its chargeable profits (within the meaning of section 19 of the Corporation Tax Act 2009).

“UK Relevant Entity” means any UK Loan Party or any Loan Party capable of becoming subject of an order for winding-up or administration under the Insolvency Act 1986 of the United Kingdom.

“U.S. Person” means a “United States person” within the meaning of Section 7701(a)(30) of the Code.

“U.S. Tax Compliance Certificate” has the meaning assigned to such term in Section 2.17(f)(ii)(B)(3).

“Undisclosed Administration” means the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official by a supervisory authority or regulator with respect to a Lender or its Parent under the Dutch Financial Supervision Act 2007 (as amended from time to time and including any successor legislation).

“Withdrawal Liability” means liability to a Multiemployer Plan as a result of a complete or partial withdrawal from such Multiemployer Plan, as such terms are defined in Part I of Subtitle E of Title IV of ERISA.

SECTION 1.02. Classification of Loans and Borrowings. For purposes of this Agreement, Loans may be classified and referred to by Class (e.g., a “Revolving Loan”) or by Type (e.g., a “Eurocurrency Loan”) or by Class and Type (e.g., a “Eurocurrency Revolving Loan”). Borrowings also may be classified and referred to by Class (e.g., a “Revolving Borrowing”) or by Type (e.g., a “Eurocurrency Borrowing”) or by Class and Type (e.g., a “Eurocurrency Revolving Borrowing”).

SECTION 1.03. Other Interpretive Provisions. (a) The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words “include”, “includes” and “including” shall be deemed to be followed by the phrase “without limitation”. The word “will” shall be construed to have the same meaning and effect as the word “shall”. The word “law” shall be construed as referring to all statutes, rules, regulations, codes and other laws (including official rulings and interpretations thereunder having the force of law or with which affected Persons customarily comply), and all judgments, orders and decrees, of all Governmental Authorities. Unless the context requires otherwise (i) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, restated, supplemented or otherwise modified (subject to any restrictions on such amendments, restatements, supplements or modifications set forth herein), (ii) any definition of or reference to any statute, rule or regulation shall be construed as referring thereto as from time to time amended, supplemented or otherwise modified (including by succession of comparable successor laws), (iii) any reference herein to any Person shall be construed to include such Person’s successors and assigns (subject to any restrictions on assignment set forth herein) and, in the case of any Governmental Authority, any other Governmental Authority that shall have succeeded to any or all functions thereof, (iv) the words “herein”, “hereof” and “hereunder”, and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (v) all references herein to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, this Agreement and (vi) the words “asset” and “property” shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights.

(b) For the avoidance of doubt, any Indebtedness, Lien or Investment incurred in compliance with a ratio shall be permitted notwithstanding any changes to such ratio subsequent to such transaction.

(c) For the avoidance of doubt, in this Agreement, when used in reference to any entity organized under the laws of the Netherlands, a reference to (i) “security” includes any mortgage (*hypotheek*), pledge (*pandrecht*), retention of title arrangement (*eigendomsvoorbehoud*), privilege (*voorrecht*), right of retention (*recht van retentie*), right to reclaim goods (*recht van reclame*), and, in general, any right in rem (*beperkt recht*), created for the purpose of granting security (*goederenrechtelijk zekerheidsrecht*); (ii) “winding-up,” “administration” or “dissolution” includes any such entity being declared bankrupt (*failliet verklaard*) or dissolved (*ontbonden*); (iii) “moratorium” includes “*surseance van betaling*” and a declaration or occurrence of a moratorium includes “*surseance verleend*”; (iv) suspension of payments includes emergency regulations (*noodregeling*) under the Act on Financial Supervision (*wet op het financieel toezicht*); (v) “trustee” in bankruptcy includes a “*curator*”; (vi) “administrator” includes a *bewindvoerder*; and (vii) “attachment” includes a “*beslag*”.

SECTION 1.04. Accounting Terms; GAAP; Pro Forma Calculations; Exchange Rates. (a) Except as otherwise expressly provided herein, all terms of an accounting or financial nature shall be construed in accordance with GAAP, as in effect from time to time; provided that, if the Company notifies the

Administrative Agent that the Company requests an amendment to any provision hereof to eliminate the effect of any change occurring after the date hereof in GAAP or in the application thereof on the operation of such provision (or if the Administrative Agent notifies the Company that the Required Lenders request an amendment to any provision hereof for such purpose), regardless of whether any such notice is given before or after such change in GAAP or in the application thereof, then such provision shall be interpreted on the basis of GAAP as in effect and applied immediately before such change shall have become effective until such notice shall have been withdrawn or such provision amended in accordance herewith. Notwithstanding any other provision contained herein, all terms of an accounting or financial nature used herein shall be construed, and all computations of amounts and ratios referred to herein shall be made (i) without giving effect to any election under Accounting Standards Codification 825-10-25 (or any other Accounting Standards Codification or Financial Accounting Standard having a similar result or effect) to value any Indebtedness or other liabilities of the Company or any Subsidiary at “fair value”, as defined therein and (ii) without giving effect to any treatment of Indebtedness in respect of convertible debt instruments under Accounting Standards Codification 470-20 (or any other Accounting Standards Codification or Financial Accounting Standard having a similar result or effect) to value any such Indebtedness in a reduced or bifurcated manner as described therein, and such Indebtedness shall at all times be valued at the full stated principal amount thereof. For purposes of computing ratios and related amounts, any amount in a currency other than Dollars will be converted to Dollars in accordance with GAAP, in a manner consistent with that used in preparing MK Holdings’ financial statements.

(b) All pro forma computations required to be made hereunder giving effect to any Material Acquisition or Material Disposition, or issuance, incurrence or assumption of Indebtedness, or other transaction shall in each case be calculated giving pro forma effect thereto (and, in the case of any pro forma computation made hereunder to determine whether such Material Acquisition or Material Disposition, or issuance, incurrence or assumption of Indebtedness, or other transaction is permitted to be consummated hereunder, to any other such transaction consummated since the first day of the period covered by any component of such pro forma computation and on or prior to the date of such computation) as if such transaction had occurred on the first day of the period of four consecutive fiscal quarters ending with the most recent fiscal quarter for which financial statements shall have been delivered pursuant to Section 5.01(a) or 5.01(b) (or, prior to the delivery of any such financial statements, ending with the last fiscal quarter included in the financial statements referred to in Section 3.04 (a)), and, to the extent applicable, to the historical earnings and cash flows associated with the assets acquired or disposed of and any related incurrence or reduction of Indebtedness, all in accordance with Article 11 of Regulation S-X under the Securities Act. Such computations may give effect to (i) any projected synergies or cost savings (net of continuing associated expenses) that are reasonably anticipated by the Company to be achieved in connection with any such event within the 12-month period following the consummation of such event, which the Company determines in good faith are reasonable as of the date of such computation and (ii) all transactions that are directly related to such Material Acquisition or Material Disposition and are entered into in connection and substantially contemporaneously therewith; provided that (x) all adjustments pursuant to this paragraph will be without duplication of any amounts that are otherwise included or added back in computing Consolidated EBITDAR in accordance with the definition of such term and (y) if any cost savings or other adjustments included in any pro forma calculations based on the anticipation that such cost savings or other adjustments will be achieved within such 12-month period shall at any time cease to be reasonably anticipated by the Company to be so achieved, then on and after such time pro forma calculations required to be made hereunder shall not reflect such cost savings or other adjustments. If any Indebtedness bears a floating rate of interest and is being given pro forma effect, the interest on such Indebtedness shall be calculated as if the rate in effect on the date of determination had been the applicable rate for the entire period (taking into account any Swap

Agreement applicable to such Indebtedness). Items related to any Indebtedness no longer outstanding or to be repaid or redeemed on the date of determination (including, without limitation, for purposes of all pro forma computations made hereunder, interest, fees, debt discounts, charges and other items) will be excluded and such Indebtedness shall be deemed to have been repaid or redeemed as of the first day of the applicable period.

(c) For purposes of (i) determining the amount of Indebtedness incurred, outstanding or proposed to be incurred or outstanding under Section 6.01 (but excluding, for the avoidance of doubt, any calculation of Consolidated Net Worth or Consolidated EBITDAR), (ii) determining the amount of obligations secured by Liens incurred, outstanding or proposed to be incurred or outstanding under Section 6.02, or (iii) determining the amount of Material Indebtedness, the net assets of a Person or judgments outstanding under paragraphs (f), (g), (h), (i), (j) or (k) of Article VII, all amounts incurred, outstanding or proposed to be incurred or outstanding in currencies other than Dollars shall be translated into Dollars at the Exchange Rate on the applicable date, provided that no Default shall arise as a result of any limitation set forth in Dollars in Section 6.01 or 6.02 being exceeded solely as a result of changes in Exchange Rates from those rates applicable at the time or times Indebtedness or obligations secured by Liens were initially consummated or acquired in reliance on the exceptions under such Sections.

SECTION 1.05. Status of Obligations. In the event that any Loan Party shall at any time issue or have outstanding any Subordinated Indebtedness, the applicable Loan Party shall take or cause such other Loan Party to take all such actions as shall be necessary to cause the Obligations to constitute senior indebtedness (however denominated) in respect of such Subordinated Indebtedness and to enable the Administrative Agent and the Lenders to have and exercise any payment blockage or other remedies available to holders of senior indebtedness under the express terms of such Subordinated Indebtedness. Without limiting the foregoing, the Obligations are hereby designated as “senior indebtedness” and as “designated senior indebtedness” and words of similar import under and in respect of any indenture or other agreement or instrument under which such Subordinated Indebtedness is outstanding and are further given all such other designations as shall be required under the terms of any such Subordinated Indebtedness in order that the Lenders may have and exercise any payment blockage or other remedies available to holders of senior indebtedness under the express terms of such Subordinated Indebtedness.

SECTION 1.06. Certifications. All certificates and other statements required to be made by any officer, director or employee of a Loan Party pursuant to any Loan Document are and will be made on the behalf of such Loan Party and not in such officer’s, director or employee’s individual capacity.

Section 1.07. Amendment and Restatement of the Existing Credit Agreement. The parties to this Agreement agree that, on the Effective Date, the terms and provisions of the Existing Credit Agreement shall be and hereby are amended, superseded and restated in their entirety by the terms and provisions of this Agreement. This Agreement is not intended to be, and shall not constitute, a novation. All Loans made and Obligations incurred under the Existing Credit Agreement which are outstanding on the Effective Date shall continue as Loans and Obligations under (and shall be governed by the terms of) this Agreement and the other Loan Documents. Without limiting the foregoing, upon the effectiveness of the amendment and restatement contemplated hereby on the Effective Date: (a) all references in the “Loan Documents” (as defined in the Existing Credit Agreement) to the “Administrative Agent”, the “Credit Agreement” and the “Loan Documents” shall be deemed to refer to the Administrative Agent, this Agreement and the Loan Documents, (b) the “Commitments” (as defined in the Existing Credit Agreement) shall be redesignated as Commitments hereunder as set forth on Schedule 2.01, (c) the Administrative Agent shall make such other reallocations, sales, assignments or other relevant actions in respect of each Lender’s credit exposure under

the Existing Credit Agreement as are necessary in order that each such Lender's Revolving Credit Exposure and outstanding Revolving Loans hereunder reflects such Lender's Applicable Percentage of the outstanding aggregate Revolving Credit Exposures on the Effective Date and (d) the Borrowers hereby agree to compensate each Lender for any and all losses, costs and expenses incurred by such Lender in connection with the sale and assignment of any Eurocurrency Loans (including the "Eurocurrency Loans" under the Existing Credit Agreement) and such reallocation described above, in each case on the terms and in the manner set forth in Section 2.16 hereof.

ARTICLE II

The Credits

Section 2.01. Commitments. Prior to the Effective Date, certain "Revolving Loans" were made to certain of the Borrowers under the Existing Credit Agreement which remain outstanding as of the Effective Date (such outstanding loans being hereinafter referred to as the "Existing Revolving Loans"). Subject to the terms and conditions set forth in this Agreement, each Borrower and each of the Lenders agree that on the Effective Date, but subject to the reallocation and other transactions described in Section 1.07, the Existing Revolving Loans shall be re-evidenced as Revolving Loans under this Agreement and the terms of the Existing Revolving Loans shall be restated in their entirety and shall be evidenced by this Agreement. Subject to the terms and conditions set forth herein, each Lender (severally and not jointly) agrees to make Revolving Loans to the Borrowers in Agreed Currencies from time to time during the Availability Period in an aggregate principal amount that will not result in (a) subject to Section 2.04, the Dollar Amount of such Lender's Revolving Credit Exposure exceeding such Lender's Commitment or (b) subject to Section 2.04, the sum of the Dollar Amount of the total Revolving Credit Exposures exceeding the Aggregate Commitment. Within the foregoing limits and subject to the terms and conditions set forth herein, the Borrowers may borrow, prepay and reborrow Revolving Loans.

Section 2.02. Loans and Borrowings. (a) Each Revolving Loan shall be made as part of a Borrowing consisting of Revolving Loans made by the Lenders ratably in accordance with their respective Commitments. The failure of any Lender to make any Loan required to be made by it shall not relieve any other Lender of its obligations hereunder; provided that the Commitments of the Lenders are several and no Lender shall be responsible for any other Lender's failure to make Loans as required. Any Swingline Loan shall be made in accordance with the procedures set forth in Section 2.05.

(b) Subject to Section 2.14, each Revolving Borrowing shall be comprised entirely of ABR Loans, Eurocurrency Loans, Canadian Base Rate Loans or BA Equivalent Loans as the relevant Borrower may request in accordance herewith; provided that (i) each ABR Loan shall only be made in Dollars, (ii) no Eurocurrency Borrowing may be made in Canadian Dollars and (iii) each Canadian Loan shall only be made in Canadian Dollars to a Canadian Borrower. Each Swingline Loan shall be (x) an ABR Loan in the case of a Swingline Loan to the Company denominated in Dollars or (y) a Swiss Swingline Loan in the case of a Swingline Loan to MK Switzerland denominated in any Agreed Currency (other than Canadian Dollars). Each Lender at its option may make any Loan by causing any domestic or foreign branch or Affiliate of such Lender to make such Loan (and in the case of an Affiliate, the provisions of Sections 2.13(f), 2.14, 2.15, 2.16 and 2.17 shall apply to such Affiliate to the same extent as to such Lender); provided that any exercise of such option shall not affect the obligation of the relevant Borrower to repay such Loan in accordance with the terms of this Agreement.

(c) At the commencement of each Interest Period for any Eurocurrency Revolving Borrowing, such Borrowing shall be in an aggregate amount that is an integral multiple of \$100,000 (or, if such Borrowing is denominated in (i) Japanese Yen, JPY 10,000,000 or (ii) a Foreign Currency

other than Japanese Yen, 100,000 units of such currency) and not less than \$1,000,000 (or, if such Borrowing is denominated in (i) Japanese Yen, JPY100,000,000 or (ii) a Foreign Currency other than Japanese Yen, 1,000,000 units of such currency). At the time that each ABR Revolving Borrowing or Canadian Base Rate Borrowing is made, such Borrowing shall be in an aggregate amount that is an integral multiple of \$100,000 or CAD100,000, respectively, and not less than \$500,000 or CAD500,000, respectively; provided that an ABR Revolving Borrowing or Canadian Base Rate Borrowing may be in an aggregate amount that is equal to the entire unused balance of the Aggregate Commitment or that is required to finance the reimbursement of an LC Disbursement as contemplated by Section 2.06(e). At the commencement of each Interest Period for any BA Equivalent Borrowing, such Borrowing shall be in an aggregate amount that is an integral multiple of CAD100,000 and not less than CAD500,000. Each Swingline Loan shall be in an amount that is an integral multiple of \$500,000 and not less than \$500,000 (or, in each case, if such Swingline Loan is denominated in (i) Japanese Yen, JPY50,000,000 or (ii) a Foreign Currency other than Japanese Yen, 500,000 units of such currency). Borrowings of more than one Type and Class may be outstanding at the same time; provided that there shall not at any time be more than a total of fifteen (15) Eurocurrency Revolving Borrowings and BA Equivalent Borrowings outstanding.

(d) Notwithstanding any other provision of this Agreement, no Borrower shall be entitled to request, or to elect to convert or continue, any Borrowing if the Interest Period requested with respect thereto would end after the Maturity Date.

(e) Any Credit Event to any Dutch Borrower shall at all times be provided by a Lender that is a Dutch Non-Public Lender.

Section 2.03. Requests for Revolving Borrowings. To request a Revolving Borrowing, the applicable Borrower, or the Company on behalf of the applicable Borrower, shall notify the Administrative Agent of such request (a) by irrevocable written notice (via a written Borrowing Request signed by the applicable Borrower, or the Company on behalf of the applicable Borrower, promptly followed by telephonic confirmation of such request) in the case of a Eurocurrency Borrowing or BA Equivalent Borrowing, not later than 12:00 noon, Local Time, three (3) Business Days before the date of the proposed Borrowing, (b) by telephone in the case of an ABR Borrowing, not later than 12:00 noon, New York City time, on the date of the proposed Borrowing; provided that any such notice of an ABR Revolving Borrowing to finance the reimbursement of an LC Disbursement as contemplated by Section 2.06(e) may be given not later than 11:00 a.m., New York City time, on the date of the proposed Borrowing or (c) by telephone in the case of a Canadian Base Rate Borrowing not later than 10:30 a.m. Local Time, one (1) Business Day prior to the date of the proposed Borrowing. Each such telephonic Borrowing Request shall be irrevocable and shall be confirmed promptly by hand delivery or telecopy to the Administrative Agent of a written Borrowing Request signed by the applicable Borrower, or the Company on behalf of the applicable Borrower. Each such telephonic and written Borrowing Request shall specify the following information in compliance with Section 2.02:

- (i) the name of the applicable Borrower;
- (ii) the aggregate amount of the requested Borrowing;
- (iii) the date of such Borrowing, which shall be a Business Day;
- (iv) whether such Borrowing is to be an ABR Borrowing or a Eurocurrency Borrowing (or in the case of a Canadian Borrowing, a Canadian Base Rate Borrowing or a BA Equivalent Borrowing);

(v) in the case of a Eurocurrency Borrowing, the Agreed Currency and initial Interest Period to be applicable thereto, which shall be a period contemplated by the definition of the term “Interest Period”;

(vi) in the case of a BA Equivalent Borrowing, the initial Interest Period to be applicable thereto which shall be a period contemplated by the definition of the term “Interest Period”; and

(vii) the location and number of the applicable Borrower’s account to which funds are to be disbursed, which shall comply with the requirements of Section 2.07.

If no election as to the Type of Revolving Borrowing is specified, then, (i) in the case of a Borrowing denominated in Dollars, the requested Revolving Borrowing shall be an ABR Borrowing and (ii) in the case of a Canadian Borrowing, the requested Borrowing shall be a Canadian Base Rate Borrowing. If no Interest Period is specified with respect to any requested Eurocurrency Revolving Borrowing or BA Equivalent Borrowing, then the relevant Borrower shall be deemed to have selected an Interest Period of one month’s duration. Promptly following receipt of a Borrowing Request in accordance with this Section, the Administrative Agent shall advise each Lender of the details thereof and of the amount of such Lender’s Loan to be made as part of the requested Borrowing.

Section 2.04. Determination of Dollar Amounts. The Administrative Agent will determine the Dollar Amount of:

- (a) each Eurocurrency Borrowing or Canadian Borrowing as of the date two (2) Business Days prior to the date of such Borrowing or, if applicable, the date of conversion/continuation of any Borrowing as a Eurocurrency Borrowing or Canadian Borrowing, as applicable,
- (b) each Swiss Swingline Loan on the date of the making of such Swingline Loan,
- (c) the LC Exposure as of the date of each request for the issuance, amendment, renewal or extension of any Letter of Credit, and
- (d) all outstanding Credit Events on and as of the last Business Day of each calendar quarter and, during the continuation of an Event of Default, on any other Business Day elected by the Administrative Agent in its discretion or upon instruction by the Required Lenders.

Each day upon or as of which the Administrative Agent determines Dollar Amounts as described in the preceding clauses (a), (b), (c) and (d) is herein described as a “Computation Date” with respect to each Credit Event for which a Dollar Amount is determined on or as of such day.

Section 2.05. Swingline Loans. (a) Subject to the terms and conditions set forth herein, the Swingline Lender agrees to make Swingline Loans (x) in Dollars to the Company and (y) in Agreed Currencies (other than Canadian Dollars) to MK Switzerland, in each case from time to time during the Availability Period, in an aggregate principal Dollar Amount at any time outstanding that will not result in, subject to Section 2.04, (i) the aggregate principal Dollar Amount of outstanding Swingline Loans exceeding \$50,000,000 or (ii) the Dollar Amount of the total Revolving Credit Exposures exceeding the Aggregate Commitment; provided that the Swingline Lender shall not be required to make a Swingline Loan to refinance an outstanding Swingline Loan. Within the foregoing limits and subject to the terms and conditions set forth herein, the Company and MK Switzerland may borrow, prepay and reborrow Swingline Loans.

(b) To request a Swingline Loan, the Company or MK Switzerland (or the Company on behalf of MK Switzerland), as applicable, shall notify the Administrative Agent of such request (i) by telephone (confirmed by teletype), not later than 2:00 p.m., New York City time, on the day of a proposed Swingline Loan to the Company in Dollars and (ii) by irrevocable written notice (via a written Borrowing Request in a form approved by the Swingline Lender and signed by MK Switzerland, or the Company on behalf of MK Switzerland, promptly followed by telephonic confirmation of such request), not later than 9:30 a.m., London time, on the day of a proposed Swiss Swingline Loan. Each such notice shall be irrevocable and shall specify the requested date (which shall be a Business Day), the applicable currency and amount of the requested Swingline Loan and the account to which proceeds of such Swingline Loan are to be credited. The Administrative Agent will promptly advise the Swingline Lender of any such notice received from the Company or MK Switzerland. The Swingline Lender shall make each Swingline Loan available to the Company or MK Switzerland, as applicable, by means of a credit to the an account of the Company or MK Switzerland, as applicable (as designated by the Company or MK Switzerland in such notice) (or, in the case of a Swingline Loan made to finance the reimbursement of an LC Disbursement as provided in Section 2.06(e), by remittance to the Issuing Bank) by 3:00 p.m. (or, in the case of a Swingline Loan made to finance the reimbursement of an LC Disbursement, such later time as is reasonably practicable as reasonably determined by the Administrative Agent), Local Time, on the requested date of such Swingline Loan.

(c) The Swingline Lender may by written notice given to the Administrative Agent not later than 11:00 a.m., Local Time, (i) in respect of Swingline Loans denominated in Dollars, on any Business Day and (ii) in respect of Swiss Swingline Loans, three (3) Business Days before the date of the proposed acquisition of participations, require the Lenders to acquire participations on such date in all or a portion of the Swingline Loans outstanding in the applicable Agreed Currency of such Swingline Loans. Such notice shall specify the aggregate amount and the applicable Agreed Currency of Swingline Loans in which Lenders will participate. Promptly upon receipt of such notice, the Administrative Agent will give notice thereof to each Lender, specifying in such notice such Lender's Applicable Percentage of such Swingline Loan or Loans and the applicable Agreed Currency of such Swingline Loan or Loans. Each Lender hereby absolutely and unconditionally agrees, upon receipt of notice as provided above, to pay in the applicable Agreed Currency to the Administrative Agent, for the account of the Swingline Lender, such Lender's Applicable Percentage of such Swingline Loan or Loans. Each Lender acknowledges and agrees that its obligation to acquire participations in Swingline Loans pursuant to this paragraph is absolute and unconditional and shall not be affected by any circumstance whatsoever, including the occurrence and continuance of a Default or reduction or termination of the Commitments, and that each such payment shall be made without any offset, abatement, withholding or reduction whatsoever. Each Lender shall comply with its obligation under this paragraph by wire transfer of immediately available funds, in the same manner as provided in Section 2.07 with respect to Loans made by such Lender (and Section 2.07 shall apply, mutatis mutandis, to the payment obligations of the Lenders), and the Administrative Agent shall promptly pay to the Swingline Lender the amounts so received by it from the Lenders. The Administrative Agent shall notify the Company of any participations in any Swingline Loan acquired pursuant to this paragraph, and thereafter payments in respect of such Swingline Loan shall be made to the Administrative Agent and not to the Swingline Lender. Any amounts received by the Swingline Lender from the Company or MK Switzerland (or other party on behalf of the Company or MK Switzerland) in respect of a Swingline Loan after receipt by the Swingline Lender of the proceeds of a sale of participations therein shall be promptly remitted to the Administrative Agent; any such amounts received by the Administrative Agent shall be promptly remitted by the Administrative Agent to the Lenders that shall have made their payments pursuant to this paragraph

and to the Swingline Lender, as their interests may appear; provided that any such payment so remitted shall be repaid to the Swingline Lender or to the Administrative Agent, as applicable, if and to the extent such payment is required to be refunded to the Company or MK Switzerland, as applicable, for any reason. The purchase of participations in a Swingline Loan pursuant to this paragraph shall not relieve the Company or MK Switzerland of any default in the payment thereof.

Section 2.06. Letters of Credit. (a) General. Subject to the terms and conditions set forth herein, any Borrower may request the issuance of Letters of Credit in the form of Commercial Letters of Credit or Standby Letters of Credit denominated in Agreed Currencies for its own account or as the applicant thereof for the support of its obligations or the obligations of its Subsidiaries or any other Loan Party, in a form reasonably acceptable to the Administrative Agent and the relevant Issuing Bank, at any time and from time to time during the Availability Period; provided, that only Canadian Borrowers may request the issuance of Letters of Credit denominated in Canadian Dollars. In the event of any inconsistency between the terms and conditions of this Agreement and the terms and conditions of any form of letter of credit application or other agreement submitted by any Borrower to, or entered into by any Borrower with, the relevant Issuing Bank relating to any Letter of Credit, the terms and conditions of this Agreement shall control. Notwithstanding anything herein to the contrary, no Issuing Bank shall have any obligation hereunder to issue, and no Issuing Bank shall issue, any Letter of Credit the proceeds of which would be made available to any Person (i) to fund any activity or business of or with any Sanctioned Person, or in any country or territory that, at the time of such funding, is the subject of any Sanctions or (ii) in any manner that would result in a violation of any Sanctions by any party to this Agreement. Each Borrower unconditionally and irrevocably agrees that, in connection with any Letter of Credit issued for the support of the obligations of its Subsidiary or any other Loan Party as provided in the first sentence of this paragraph, such Borrower will be fully responsible for the reimbursement of LC Disbursements in accordance with the terms hereof, the payment of interest thereon and the payment of fees due under Section 2.12(b) to the same extent as if it were the sole account party in respect of such Letter of Credit (each Borrower hereby irrevocably waiving any defenses that might otherwise be available to it as a guarantor or surety of the obligations of such a Subsidiary or Loan Party that is an account party in respect of any such Letter of Credit).

(b) Notice of Issuance, Amendment, Renewal, Extension; Certain Conditions. To request the issuance of a Letter of Credit (or the amendment, renewal or extension of an outstanding Letter of Credit), the applicable Borrower shall hand deliver or telecopy (or transmit by electronic communication, if arrangements for doing so have been approved by the relevant Issuing Bank) to the relevant Issuing Bank and the Administrative Agent (reasonably in advance of the requested date of issuance, amendment, renewal or extension) a notice requesting the issuance of a Letter of Credit, or identifying the Letter of Credit to be amended, renewed or extended, and specifying the date of issuance, amendment, renewal or extension (which shall be a Business Day), the date on which such Letter of Credit is to expire (which shall comply with paragraph (c) of this Section), the amount of such Letter of Credit, the Agreed Currency applicable thereto, the name and address of the beneficiary thereof and such other information as shall be necessary to prepare, amend, renew or extend such Letter of Credit. If requested by an Issuing Bank, the applicable Borrower also shall submit a letter of credit application on such Issuing Bank's standard form in connection with any request for a Letter of Credit. A Letter of Credit shall be issued, amended, renewed or extended only if (and upon issuance, amendment, renewal or extension of each Letter of Credit the applicable Borrower shall be deemed to represent and warrant that), after giving effect to such issuance, amendment, renewal or extension (i) subject to Section 2.04, the Dollar Amount of the LC Exposure shall not exceed \$75,000,000, (ii) subject to Section 2.04, with respect to any Issuing Bank, the aggregate undrawn Dollar Amount of all outstanding Letters of Credit issued by such Issuing Bank at such time plus the aggregate Dollar Amount of all LC Disbursements made by such Issuing Bank that have not yet

been reimbursed by or on behalf of the Borrowers at such time shall not exceed such Issuing Bank's Letter of Credit Commitment and (iii) subject to Section 2.04, the sum of the Dollar Amount of the total Revolving Credit Exposures shall not exceed the Aggregate Commitment. The Company may, at any time and from time to time, reduce or increase the Letter of Credit Commitment of any Issuing Bank as set forth in the definition of Letter of Credit Commitment; provided that the Company shall not reduce the Letter of Credit Commitment of any Issuing Bank if, after giving effect of such reduction, the conditions set forth in clauses (i) through (iii) above shall not be satisfied.

(c) Expiration Date. Each Letter of Credit shall expire (or to be subject to termination by notice from the applicable Issuing Bank to the beneficiary thereof) at or prior to the close of business on the earlier of (i) the date one year after the date of the issuance of such Letter of Credit (or, in the case of any renewal or extension thereof, one year after such renewal or extension) and (ii) the date that is five (5) Business Days prior to the Maturity Date; provided that, upon any Borrower's request, any such Letter of Credit which is issued in the final year prior to the Maturity Date may have an expiry date which is not later than one (1) year after the Maturity Date if cash collateralized or covered by standby letter(s) of credit in compliance with Section 2.06(j) below (each such Letter of Credit, an "Extended Letter of Credit").

(d) Participations. By the issuance of a Letter of Credit (or an amendment to a Letter of Credit increasing the amount thereof) and without any further action on the part of the relevant Issuing Bank or the Lenders, the relevant Issuing Bank hereby grants to each Lender, and each Lender hereby acquires from the relevant Issuing Bank, a participation in such Letter of Credit and in the currency of such Letter of Credit (or any currency into which such Letter of Credit is converted as provided herein) equal to such Lender's Applicable Percentage of the aggregate amount available to be drawn under such Letter of Credit. In consideration and in furtherance of the foregoing, each Lender hereby absolutely and unconditionally agrees to pay to the Administrative Agent, for the account of the relevant Issuing Bank, such Lender's Applicable Percentage of each LC Disbursement made by such Issuing Bank and not reimbursed by the applicable Borrower on the date due as provided in paragraph (e) of this Section, or of any reimbursement payment required to be refunded to any Borrower for any reason. Each Lender acknowledges and agrees that its obligation to acquire participations pursuant to this paragraph in respect of Letters of Credit is absolute and unconditional and shall not be affected by any circumstance whatsoever, including any amendment, renewal or extension of any Letter of Credit or the occurrence and continuance of a Default or reduction or termination of the Commitments, and that each such payment shall be made without any offset, abatement, withholding or reduction whatsoever.

(e) Reimbursement. If the relevant Issuing Bank shall make any LC Disbursement in respect of a Letter of Credit, the applicable Borrower shall reimburse such LC Disbursement by paying to the Administrative Agent in Dollars the Dollar Amount equal to such LC Disbursement, calculated as of the date such Issuing Bank made such LC Disbursement (or if such Issuing Bank shall so elect in its sole discretion by notice to the applicable Borrower, in such other Agreed Currency which was paid by such Issuing Bank pursuant to such LC Disbursement in an amount equal to such LC Disbursement) not later than (x) on the same Business Day that the applicable Borrower receives written notice from such Issuing Bank that such Issuing Bank has made such LC Disbursement under such Letter of Credit, if the applicable Borrower shall have received notice of such LC Disbursement prior to 10:00 a.m., Local Time, and (y) on the next succeeding Business Day after which such Borrower receives such notice after 10:00 a.m., Local Time; provided that, if such LC Disbursement is not less than the Dollar Amount of \$500,000, such Borrower may, subject to the conditions to borrowing and other conditions set forth herein, request in accordance with Section 2.03 or 2.05 that

such payment be financed with (i) to the extent such LC Disbursement was made in Dollars, an ABR Revolving Borrowing or Swingline Loan in Dollars in an amount equal to such LC Disbursement, (ii) to the extent such LC Disbursement was made in Canadian Dollars, a Canadian Base Rate Borrowing in an amount equal to such LC Disbursement or (iii) to the extent such LC Disbursement was made in a Foreign Currency (other than Canadian Dollars), a Eurocurrency Revolving Borrowing or a Swingline Loan in such Foreign Currency in an amount equal to such LC Disbursement and, in each case, to the extent so financed, such Borrower's obligation to make such payment shall be discharged and replaced by the resulting ABR Revolving Borrowing, Canadian Base Rate Borrowing, Eurocurrency Revolving Borrowing or Swingline Loan, as applicable. If any Borrower fails to make such payment when due, the Administrative Agent shall notify each Lender of the applicable LC Disbursement, the payment then due from such Borrower in respect thereof and such Lender's Applicable Percentage thereof. Promptly following receipt of such notice, each Lender shall pay to the Administrative Agent its Applicable Percentage of the payment then due from the applicable Borrower, in the same manner as provided in Section 2.07 with respect to Loans made by such Lender (and Section 2.07 shall apply, mutatis mutandis, to the payment obligations of the Lenders), and the Administrative Agent shall promptly pay to the relevant Issuing Bank the amounts so received by it from the Lenders. Promptly following receipt by the Administrative Agent of any payment from any Borrower pursuant to this paragraph, the Administrative Agent shall distribute such payment to the relevant Issuing Bank or, to the extent that Lenders have made payments pursuant to this paragraph to reimburse such Issuing Bank, then to such Lenders and such Issuing Bank as their interests may appear. Any payment made by a Lender pursuant to this paragraph to reimburse the relevant Issuing Bank for any LC Disbursement (other than the funding of ABR Loans, Eurocurrency Loans, Canadian Base Rate Loans or Swingline Loans as contemplated above) shall not constitute a Loan and shall not relieve the applicable Borrower of its obligation to reimburse such LC Disbursement. If any Borrower's reimbursement of, or obligation to reimburse, any amounts in any Foreign Currency would subject the Administrative Agent, any Issuing Bank or any Lender to any stamp duty, ad valorem charge or similar tax that would not be payable if such reimbursement were made or required to be made in Dollars, such Borrower shall, at its option, either (x) pay the amount of any such tax requested by the Administrative Agent, the relevant Issuing Bank or the relevant Lender or (y) reimburse each LC Disbursement made in such Foreign Currency in Dollars, in an amount equal to the Equivalent Amount, calculated using the applicable Exchange Rates, on the date such LC Disbursement is made, of such LC Disbursement.

(f) Obligations Absolute. Each Borrower's obligation to reimburse LC Disbursements as provided in paragraph (e) of this Section shall be absolute, unconditional and irrevocable, and shall be performed strictly in accordance with the terms of this Agreement under any and all circumstances whatsoever and irrespective of (i) any lack of validity or enforceability of any Letter of Credit or this Agreement, or any term or provision therein, (ii) any draft or other document presented under a Letter of Credit proving to be forged, fraudulent or invalid in any respect or any statement therein being untrue or inaccurate in any respect, (iii) payment by the relevant Issuing Bank under a Letter of Credit against presentation of a draft or other document that does not comply with the terms of such Letter of Credit, or (iv) any other event or circumstance whatsoever, whether or not similar to any of the foregoing, that might, but for the provisions of this Section, constitute a legal or equitable discharge of, or provide a right of setoff against, any Borrower's obligations hereunder. Neither the Administrative Agent, the Lenders nor the Issuing Banks, nor any of their Related Parties, shall have any liability or responsibility by reason of or in connection with the issuance or transfer of any Letter of Credit or any payment or failure to make any payment thereunder (irrespective of any of the circumstances referred to in the preceding sentence), or any error, omission, interruption, loss or delay in transmission or delivery of any draft, notice or other communication

under or relating to any Letter of Credit (including any document required to make a drawing thereunder), any error in interpretation of technical terms or any consequence arising from causes beyond the control of the relevant Issuing Bank; provided that the foregoing shall not be construed to excuse the relevant Issuing Bank from liability to a Borrower to the extent of any direct damages (as opposed to special, indirect, consequential or punitive damages, claims in respect of which are hereby waived by each Borrower to the extent permitted by applicable law) suffered by such Borrower that are caused by such Issuing Bank's failure to exercise care when determining whether drafts and other documents presented under a Letter of Credit comply with the terms thereof. The parties hereto expressly agree that, in the absence of gross negligence or willful misconduct on the part of any Issuing Bank (as finally determined by a court of competent jurisdiction), such Issuing Bank shall be deemed to have exercised care in each such determination. In furtherance of the foregoing and without limiting the generality thereof, the parties agree that, with respect to documents presented which appear on their face to be in substantial compliance with the terms of a Letter of Credit, each Issuing Bank may, in its sole discretion, either accept and make payment upon such documents without responsibility for further investigation, regardless of any notice or information to the contrary, or refuse to accept and make payment upon such documents if such documents are not in strict compliance with the terms of such Letter of Credit.

(g) Disbursement Procedures. Each Issuing Bank shall, promptly following its receipt thereof, examine all documents purporting to represent a demand for payment under a Letter of Credit. Each Issuing Bank shall promptly notify the Administrative Agent and the applicable Borrower by telephone (confirmed by telecopy) of such demand for payment and whether such Issuing Bank has made or will make an LC Disbursement thereunder; provided that any failure to give or delay in giving such notice shall not relieve such Borrower of its obligation to reimburse such Issuing Bank and the Lenders with respect to any such LC Disbursement.

(h) Interim Interest. If any Issuing Bank shall make any LC Disbursement, then, unless the applicable Borrower shall reimburse such LC Disbursement in full on the date such LC Disbursement is made, the unpaid amount thereof shall bear interest, for each day from and including the date such LC Disbursement is made to but excluding the date that such Borrower reimburses such LC Disbursement, at the rate per annum then applicable to ABR Revolving Loans (or in the case such LC Disbursement is denominated in a Foreign Currency, at the Overnight Foreign Currency Rate for such Agreed Currency plus the then effective Applicable Rate with respect to Eurocurrency Revolving Loans) and such interest shall be due and payable on the date when such reimbursement is payable; provided that, if such Borrower fails to reimburse such LC Disbursement when due pursuant to paragraph (e) of this Section, then Section 2.13(c) shall apply. Interest accrued pursuant to this paragraph shall be for the account of the relevant Issuing Bank, except that interest accrued on and after the date of payment by any Lender pursuant to paragraph (e) of this Section to reimburse such Issuing Bank shall be for the account of such Lender to the extent of such payment.

(i) Replacement of any Issuing Bank. Any Issuing Bank may be replaced at any time by written agreement among the applicable Borrower, the Administrative Agent, the replaced Issuing Bank and the successor Issuing Bank. The Administrative Agent shall notify the Lenders of any such replacement of any Issuing Bank. At the time any such replacement shall become effective, the Borrowers shall pay all unpaid fees accrued for the account of the replaced Issuing Bank pursuant to Section 2.12(b). From and after the effective date of any such replacement, (i) the successor Issuing Bank shall have all the rights and obligations of an Issuing Bank under this Agreement with respect to Letters of Credit to be issued by such successor Issuing Bank thereafter and (ii) references herein to the term "Issuing Bank" shall be deemed to refer to such successor or to any previous

Issuing Bank, or to such successor and all previous Issuing Banks, as the context shall require. After the replacement of an Issuing Bank hereunder, the replaced Issuing Bank shall remain a party hereto and shall continue to have all the rights and obligations of an Issuing Bank under this Agreement with respect to Letters of Credit then outstanding and issued by it prior to such replacement, but shall not be required to issue additional Letters of Credit.

(j) Cash Collateralization. If (x) any Event of Default shall occur and be continuing, on the Business Day that any Borrower receives notice from the Administrative Agent or the Required Lenders (or, if the maturity of the Loans has been accelerated, Lenders with LC Exposure representing greater than 50% of the total LC Exposure) demanding the deposit of cash collateral pursuant to this paragraph or (y) cash collateral is required pursuant to Section 2.06(c) in connection with the issuance of an Extended Letter of Credit, such Borrower shall deposit in an account with the Administrative Agent, in the name of the Administrative Agent and for the benefit of the Lenders (the “LC Collateral Account”), an amount in cash equal to the Dollar Amount of the LC Exposure in respect of such Extended Letter of Credit (in the case of the foregoing clause (y)) or in the aggregate (in the case of the foregoing clause (x)) as of such date plus any accrued and unpaid interest thereon; provided that (i) the portions of such amount attributable to undrawn Foreign Currency Letters of Credit or LC Disbursements in a Foreign Currency that such Borrower is not late in reimbursing shall be deposited in the applicable Foreign Currencies in the actual amounts of such undrawn Letters of Credit and LC Disbursements and (ii) the obligation to deposit such cash collateral shall (1) be required no later than five (5) Business Days prior to the Maturity Date in the case of an Extended Letter of Credit and (2) become effective immediately, and such deposit shall become immediately due and payable, without demand or other notice of any kind, upon the occurrence of any Event of Default with respect to any Borrower described in clause (h) or (i) of Article VII. For the purposes of this paragraph, the Foreign Currency LC Exposure shall be calculated using the applicable Exchange Rate on the date notice demanding cash collateralization is delivered to the applicable Borrower. Each Borrower also shall deposit cash collateral pursuant to this paragraph as and to the extent required by Section 2.11(b). Such deposit shall be held by the Administrative Agent as collateral for the payment and performance of the Obligations. The Administrative Agent shall have exclusive dominion and control, including the exclusive right of withdrawal, over such account. Other than any interest earned on the investment of such deposits, which investments shall be made at the option and sole discretion of the Administrative Agent and at the Borrowers’ risk and expense, such deposits shall not bear interest. Interest or profits, if any, on such investments shall accumulate in such account. Moneys in such account shall be applied by the Administrative Agent to reimburse the relevant Issuing Bank for LC Disbursements for which it has not been reimbursed and, to the extent not so applied, shall be held for the satisfaction of the reimbursement obligations of the Borrowers for the LC Exposure at such time or, if the maturity of the Loans has been accelerated (but subject to the consent of Lenders with LC Exposure representing greater than 50% of the total LC Exposure), be applied to satisfy other Obligations. If any Borrower is required to provide an amount of cash collateral hereunder as a result of the occurrence of an Event of Default, such amount (to the extent not applied as aforesaid) shall be returned to such Borrower within three (3) Business Days after all Events of Default have been cured or waived.

(k) Issuing Bank Agreements. Each Issuing Bank agrees that, unless otherwise requested by the Administrative Agent, such Issuing Bank shall report in writing to the Administrative Agent (i) on the first Business Day of each week, the daily activity (set forth by day) in respect of Letters of Credit during the immediately preceding week, including all issuances, extensions, amendments and renewals, all expirations and cancellations and all disbursements and reimbursements, (ii) on or prior to each Business Day on which such Issuing Bank expects to issue,

amend, renew or extend any Letter of Credit, the date of such issuance, amendment, renewal or extension, and the aggregate face amount and currency of the Letters of Credit to be issued, amended, renewed or extended by it and outstanding after giving effect to such issuance, amendment, renewal or extension occurred (and whether the amount thereof changed), it being understood that such Issuing Bank shall not permit any issuance, renewal, extension or amendment resulting in an increase in the amount of any Letter of Credit to occur without first obtaining written confirmation from the Administrative Agent that it is then permitted under this Agreement, (iii) on each Business Day on which such Issuing Bank pays any amount in respect of one or more drawings under Letters of Credit, the date of such payment(s) and the amount of such payment(s), (iv) on any Business Day on which the Borrowers fail to reimburse any obligations of the Borrowers for the LC Exposure required to be reimbursed to such Issuing Bank on such day, the date of such failure and the amount and currency of such payment in respect of Letters of Credit and (v) on any other Business Day, such other information as the Administrative Agent shall reasonably request.

(l) Existing Letters of Credit. The Existing Letters of Credit shall be deemed to be Letters of Credit issued hereunder on the Effective Date.

Section 2.07. Funding of Borrowings. (a) Each Lender shall make each Loan to be made by it hereunder on the proposed date thereof by wire transfer of immediately available funds (i) in the case of Loans denominated in Dollars, by 1:00 p.m., New York City time, to the account of the Administrative Agent most recently designated by it for such purpose by notice to the Lenders, (ii) in the case of each Loan denominated in a Foreign Currency (other than Swiss Francs) by 12:00 noon, Local Time, in the city of the Administrative Agent's Applicable Payment Office for such currency and at such Applicable Payment Office for such currency and (iii) in the case of each Loan denominated in Swiss Francs, by 8:00 a.m., Local Time, in the city of the Administrative Agent's Applicable Payment Office for such currency and at such Applicable Payment Office for such currency; provided that Swingline Loans shall be made as provided in Section 2.05. The Administrative Agent will make such Loans available to the relevant Borrower by promptly crediting the amounts so received, in like funds, to (x) an account of such Borrower maintained with the Administrative Agent in New York City or Chicago and designated by such Borrower in the applicable Borrowing Request, in the case of Loans denominated in Dollars and (y) an account of such Borrower in the relevant jurisdiction and designated by such Borrower in the applicable Borrowing Request, in the case of Loans denominated in a Foreign Currency; provided that ABR Revolving Loans made to finance the reimbursement of an LC Disbursement as provided in Section 2.06(e) shall be remitted by the Administrative Agent to the relevant Issuing Bank.

(b) Unless the Administrative Agent shall have received notice from a Lender prior to the proposed date of any Borrowing (or, in the case of an ABR Borrowing, prior to the proposed time of any Borrowing) that such Lender will not make available to the Administrative Agent such Lender's share of such Borrowing, the Administrative Agent may assume that such Lender has made such share available on such date in accordance with paragraph (a) of this Section and may, in reliance upon such assumption, make available to the relevant Borrower a corresponding amount. In such event, if a Lender has not in fact made its share of the applicable Borrowing available to the Administrative Agent, then the applicable Lender and such Borrower severally agree to pay to the Administrative Agent forthwith on demand such corresponding amount with interest thereon, for each day from and including the date such amount is made available to such Borrower to but excluding the date of payment to the Administrative Agent, at (i) in the case of such Lender, the greater of the Federal Funds Effective Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation (including without limitation the Overnight Foreign Currency Rate in the case of Loans denominated in a Foreign Currency) or (ii) in the case

of such Borrower, the interest rate applicable to ABR Loans. If such Lender pays such amount to the Administrative Agent, then such amount shall constitute such Lender's Loan included in such Borrowing.

Section 2.08. Interest Elections. (a) Each Revolving Borrowing initially shall be of the Type specified in the applicable Borrowing Request and, in the case of a Eurocurrency Revolving Borrowing or BA Equivalent Borrowing, shall have an initial Interest Period as specified in such Borrowing Request. Thereafter, the relevant Borrower may elect to convert such Borrowing to a different Type or to continue such Borrowing and, in the case of a Eurocurrency Revolving Borrowing or BA Equivalent Borrowing, may elect Interest Periods therefor, all as provided in this Section. A Borrower may elect different options with respect to different portions of the affected Borrowing, in which case each such portion shall be allocated ratably among the Lenders holding the Loans comprising such Borrowing, and the Loans comprising each such portion shall be considered a separate Borrowing. This Section shall not apply to Swingline Borrowings, which may not be converted or continued.

(b) To make an election pursuant to this Section, a Borrower, or the Company on its behalf, shall notify the Administrative Agent of such election (by telephone or irrevocable written notice in the case of a Borrowing denominated in Dollars or Canadian Dollars or by irrevocable written notice (via an Interest Election Request signed by such Borrower, or the Company on its behalf) in the case of a Borrowing denominated in a Foreign Currency other than Canadian Dollars) by the time that a Borrowing Request would be required under Section 2.03 if such Borrower were requesting a Revolving Borrowing of the Type resulting from such election to be made on the effective date of such election. Each such telephonic Interest Election Request shall be irrevocable and shall be confirmed promptly by hand delivery or telecopy to the Administrative Agent of a written Interest Election Request signed by the relevant Borrower, or the Company on its behalf. Notwithstanding any contrary provision herein, this Section shall not be construed to permit any Borrower to (i) change the currency of any Borrowing, (ii) elect an Interest Period for Eurocurrency Loans or BA Equivalent Loans that does not comply with Section 2.02(d) or (iii) convert any Borrowing to a Borrowing of a Type not available under such Borrowing.

(c) Each telephonic and written Interest Election Request shall specify the following information in compliance with Section 2.02:

(i) the name of the applicable Borrower and the Borrowing to which such Interest Election Request applies and, if different options are being elected with respect to different portions thereof, the portions thereof to be allocated to each resulting Borrowing (in which case the information to be specified pursuant to clauses (iii) and (iv) below shall be specified for each resulting Borrowing);

(ii) the effective date of the election made pursuant to such Interest Election Request, which shall be a Business Day;

(iii) whether the resulting Borrowing is to be an ABR Borrowing or a Eurocurrency Borrowing (and, in the case of a Canadian Borrowing, a Canadian Base Rate Borrowing or a BA Equivalent Borrowing);

(iv) if the resulting Borrowing is a Eurocurrency Borrowing, the Interest Period and Agreed Currency to be applicable thereto after giving effect to such election, which

Interest Period shall be a period contemplated by the definition of the term “Interest Period”; and

(v) if the resulting Borrowing is a BA Equivalent Borrowing, the Interest Period to be applicable thereto after giving effect to such election, which Interest Period shall be a period contemplated by the definition of the term “Interest Period”.

If any such Interest Election Request requests a Eurocurrency Borrowing or BA Equivalent Borrowing but does not specify an Interest Period, then the applicable Borrower shall be deemed to have selected an Interest Period of one month’s duration.

(d) Promptly following receipt of an Interest Election Request, the Administrative Agent shall advise each Lender of the details thereof and of such Lender’s portion of each resulting Borrowing.

(e) If the relevant Borrower fails to deliver a timely Interest Election Request with respect to a Eurocurrency Revolving Borrowing or BA Equivalent Borrowing prior to the end of the Interest Period applicable thereto, then, unless such Borrowing is repaid as provided herein, at the end of such Interest Period (i) in the case of a Borrowing denominated in Dollars, such Borrowing shall be converted to an ABR Borrowing, (ii) in the case of a Canadian Borrowing, such Borrowing shall be converted to a Canadian Base Rate Borrowing; and (iii) in the case of a Borrowing denominated in a Foreign Currency other than Canadian Dollars in respect of which the applicable Borrower shall have failed to deliver an Interest Election Request prior to the third (3rd) Business Day preceding the end of such Interest Period, such Borrowing shall automatically continue as a Eurocurrency Borrowing in the same Agreed Currency with an Interest Period of one month unless such Eurocurrency Borrowing is or was repaid in accordance with Section 2.11. Notwithstanding any contrary provision hereof, if an Event of Default has occurred and is continuing and the Administrative Agent, at the request of the Required Lenders, so notifies the Company, then, so long as an Event of Default is continuing (i) no outstanding Revolving Borrowing denominated in Dollars or Canadian Dollars may be converted to or continued as a Eurocurrency Borrowing or a BA Equivalent Borrowing, (ii) unless repaid, each BA Equivalent Borrowing shall be converted to a Canadian Base Rate Borrowing, and (iv) unless repaid, each Eurocurrency Revolving Borrowing denominated in Dollars shall be converted to an ABR Borrowing at the end of the Interest Period applicable thereto and (iii) unless repaid, each Eurocurrency Revolving Borrowing denominated in a Foreign Currency shall automatically be continued as a Eurocurrency Borrowing with an Interest Period of one month.

Section 2.09. Termination and Reduction of Commitments.(a) Unless previously terminated, the Commitments shall terminate on the Maturity Date.

(b) The Company may at any time terminate, or from time to time reduce, the Commitments; provided that (i) each reduction of the Commitments shall be in an amount that is an integral multiple of \$1,000,000 and not less than \$5,000,000 and (ii) the Company shall not terminate or reduce the Commitments if, after giving effect to any concurrent prepayment of the Loans in accordance with Section 2.11, the Dollar Amount of the sum of the Revolving Credit Exposures would exceed the Aggregate Commitment.

(c) The Company shall notify the Administrative Agent of any election to terminate or reduce the Commitments under paragraph (b) of this Section at least three (3) Business Days prior to the effective date of such termination or reduction, specifying such election and the effective date

thereof. Promptly following receipt of any notice, the Administrative Agent shall advise the Lenders of the contents thereof. Each notice delivered by the Company pursuant to this Section shall be irrevocable; provided that a notice of termination of the Commitments delivered by the Company may state that such notice is conditioned upon the effectiveness of other credit facilities, indentures or similar agreements or other transactions, in which case such notice may be revoked by the Company (by notice to the Administrative Agent on or prior to the specified effective date) if such condition is not satisfied. Any termination or reduction of the Commitments shall be permanent. Each reduction of the Commitments shall be made ratably among the Lenders in accordance with their respective Commitments.

Section 2.10. Repayment of Loans; Evidence of Debt. (a) Each Borrower hereby unconditionally promises to pay (i) to the Administrative Agent for the account of each Lender the then unpaid principal amount of each Revolving Loan made to such Borrower on the Maturity Date in the currency of such Loan and (ii) in the case of the Company or MK Switzerland, to the Swingline Lender the then unpaid principal amount of each Swingline Loan on the earlier of the Maturity Date and the first date after such Swingline Loan is made that is the 15th or last day of a calendar month and is at least two (2) Business Days after such Swingline Loan is made; provided that on each date that a Revolving Borrowing is made, the Company or MK Switzerland, as the case may be, shall repay all Swingline Loans then outstanding.

(b) Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing the indebtedness of each Borrower to such Lender resulting from each Loan made by such Lender, including the amounts of principal and interest payable and paid to such Lender from time to time hereunder.

(c) The Administrative Agent shall maintain accounts in which it shall record (i) the amount of each Loan made hereunder, the Class, Agreed Currency and Type thereof and the Interest Period applicable thereto, (ii) the amount of any principal or interest due and payable or to become due and payable from each Borrower to each Lender hereunder and (iii) the amount of any sum received by the Administrative Agent hereunder for the account of the Lenders and each Lender's share thereof.

(d) The entries made in the accounts maintained pursuant to paragraph (b) or (c) of this Section shall be prima facie evidence of the existence and amounts of the obligations recorded therein; provided that the failure of any Lender or the Administrative Agent to maintain such accounts or any error therein shall not in any manner affect the obligation of any Borrower to repay the Loans in accordance with the terms of this Agreement.

(e) Any Lender may request, through the Administrative Agent, that Loans made by it to any Borrower be evidenced by a promissory note. In such event, the relevant Borrower shall prepare, execute and deliver to such Lender a promissory note payable to the order of such Lender (or, if requested by such Lender, to such Lender and its registered assigns) and in the form attached hereto as Exhibit J. Thereafter, the Loans evidenced by such promissory note and interest thereon shall at all times (including after assignment pursuant to Section 9.04) be represented by one or more promissory notes in such form payable to the order of the payee named therein (or, if any such promissory note is a registered note, to such payee and its registered assigns).

(f) Without limiting the obligations of each Loan Party to guaranty the complete payment and performance of all Obligations to the extent provided under the Guaranty, each Borrower acknowledges and agrees that it is severally liable hereunder for the payment and performance of

the Obligations incurred by or behalf of, or attributable to, such Borrower. Notwithstanding anything to the contrary contained in this Agreement or any of the other Loan Documents, the Administrative Agent, the Issuing Banks and the Lenders shall be entitled to rely upon any request, notice or other communication received by them from any Borrower.

Section 2.11. Prepayment of Loans.

(a) Any Borrower shall have the right at any time and from time to time to prepay any Borrowing in whole or in part, subject to prior notice in accordance with the provisions of this Section 2.11(a). The applicable Borrower, or the Company on behalf of the applicable Borrower, shall notify the Administrative Agent (and, in the case of prepayment of a Swingline Loan, the Swingline Lender) by telephone (confirmed by telecopy) of any prepayment hereunder (i) in the case of prepayment of a Eurocurrency Revolving Borrowing or a BA Equivalent Borrowing, not later than 12:00 noon, Local Time, three (3) Business Days (in the case of a Eurocurrency Borrowing denominated in Dollars or a BA Equivalent Borrowing) or four (4) Business Days (in the case of a Eurocurrency Borrowing denominated in a Foreign Currency), in each case before the date of prepayment, (ii) in the case of prepayment of an ABR Revolving Borrowing or a Canadian Base Rate Borrowing, not later than 12:00 noon, New York City time, on the date of prepayment or (iii) in the case of prepayment of a Swingline Loan, not later than 12:00 noon, Local Time, on the date of prepayment. Each such notice shall be irrevocable and shall specify the prepayment date and the principal amount of each Borrowing or portion thereof to be prepaid; provided that, if a notice of prepayment is given in connection with a conditional notice of termination of the Commitments as contemplated by Section 2.09, then such notice of prepayment may be revoked if such notice of termination is revoked in accordance with Section 2.09. Promptly following receipt of any such notice relating to a Revolving Borrowing, the Administrative Agent shall advise the Lenders of the contents thereof. Each partial prepayment of any Revolving Borrowing shall be in an amount that would be permitted in the case of an advance of a Revolving Borrowing of the same Type as provided in Section 2.02. Each prepayment of a Revolving Borrowing shall be applied ratably to the Loans included in the prepaid Borrowing. Prepayments shall be accompanied by (i) accrued interest to the extent required by Section 2.13 and (ii) break funding payments pursuant to Section 2.16 (if any).

(b) If at any time, (i) other than as a result of fluctuations in currency exchange rates, the sum of the aggregate principal Dollar Amount of all of the Revolving Credit Exposures (calculated, with respect to those Credit Events denominated in Foreign Currencies, as of the most recent Computation Date with respect to each such Credit Event) exceeds the Aggregate Commitment or (ii) solely as a result of fluctuations in currency exchange rates, the sum of the aggregate principal Dollar Amount of all of the Revolving Credit Exposures (so calculated) exceeds 105% of the Aggregate Commitment, the Borrowers shall in each case immediately repay Borrowings or cash collateralize LC Exposure in an account with the Administrative Agent pursuant to Section 2.06(j), as applicable, in an aggregate principal amount sufficient to cause the aggregate Dollar Amount of all Revolving Credit Exposures (so calculated) to be less than or equal to the Aggregate Commitment.

Section 2.12. Fees. (a) The Company agrees to pay to the Administrative Agent for the account of each Lender a commitment fee, which shall accrue at the Applicable Rate on the average Available Revolving Commitment of such Lender during the period from and including the Effective Date to but excluding the date on which such Commitment terminates; provided that, if such Lender continues to have any Revolving Credit Exposure after its Commitment terminates, then such commitment fee shall continue to accrue on the daily amount of such Lender's Revolving Credit Exposure from and including the date on which its Commitment terminates to but excluding the date on which such Lender ceases to have any

Revolving Credit Exposure. Accrued commitment fees shall be payable in arrears on the last day of March, June, September and December of each year and on the date on which the Commitments terminate, commencing on the first such date to occur after the Effective Date; provided that any commitment fees accruing after the date on which the Commitments terminate shall be payable on demand. All commitment fees shall be computed on the basis of a year of 360 days and shall be payable for the actual number of days elapsed (including the first day but excluding the last day).

(b) The Borrowers agree to pay (i) to the Administrative Agent for the account of each Lender a participation fee with respect to its participations in Standby Letters of Credit, which shall accrue at the same Applicable Rate used to determine the interest rate applicable to Eurocurrency Revolving Loans on the average daily Dollar Amount of such Lender's LC Exposure in respect of Standby Letters of Credit (excluding any portion thereof attributable to unreimbursed LC Disbursements in respect of Standby Letters of Credit) during the period from and including the Effective Date to but excluding the later of the date on which such Lender's Commitment terminates and the date on which such Lender ceases to have any LC Exposure in respect of Standby Letters of Credit, (ii) to the Administrative Agent for the account of each Lender a participation fee with respect to its participations in Commercial Letters of Credit, which shall accrue at the Applicable Rate applicable to Commercial Letters of Credit on the average daily Dollar Amount of such Lender's LC Exposure in respect of Commercial Letters of Credit (excluding any portion thereof attributable to unreimbursed LC Disbursements in respect of Commercial Letters of Credit) during the period from and including the Effective Date to but excluding the later of the date on which such Lender's Commitment terminates and the date on which such Lender ceases to have any LC Exposure in respect of Commercial Letters of Credit and (iii) to the relevant Issuing Bank for its own account a fronting fee, which shall accrue at a rate per annum separately agreed upon by the Company and such Issuing Bank on the average daily Dollar Amount of the LC Exposure (excluding any portion thereof attributable to unreimbursed LC Disbursements) attributable to Letters of Credit issued by such Issuing Bank during the period from and including the Original Effective Date to but excluding the later of the date of termination of the Commitments and the date on which there ceases to be any LC Exposure, as well as such Issuing Bank's standard fees and commissions with respect to the issuance, amendment, cancellation, negotiation, transfer, presentment, renewal or extension of any Letter of Credit or processing of drawings thereunder. Unless otherwise specified above, participation fees and fronting fees accrued through and including the last day of March, June, September and December of each year shall be payable on the third (3rd) Business Day following such last day, commencing on the first such date to occur after the Effective Date; provided that all such fees shall be payable on the date on which the Commitments terminate and any such fees accruing after the date on which the Commitments terminate shall be payable on demand. Any other fees payable to any Issuing Bank pursuant to this paragraph shall be payable within ten (10) Business Days after demand. All participation fees and fronting fees shall be computed on the basis of a year of 360 days and shall be payable for the actual number of days elapsed (including the first day but excluding the last day). Participation fees and fronting fees in respect of Letters of Credit denominated in Dollars shall be paid in Dollars, and participation fees and fronting fees in respect of Letters of Credit denominated in a Foreign Currency shall be paid in such Foreign Currency.

(c) Each Loan Party agrees to pay to the Administrative Agent, for its own account, fees payable in the amounts and at the times separately agreed upon between such Loan Party and the Administrative Agent.

(d) All fees payable hereunder shall be paid on the dates due, in Dollars (except as otherwise expressly provided in this Section 2.12) and immediately available funds, to the

Administrative Agent (or to each Issuing Bank, in the case of fees payable to it) for distribution, in the case of commitment fees and participation fees, to the Lenders. Fees paid shall not be refundable under any circumstances.

Section 2.13. Interest. (a) The Loans comprising each ABR Borrowing (including each Swingline Loan to the Company denominated in Dollars) shall bear interest at the Alternate Base Rate plus the Applicable Rate. The Canadian Loans comprising each Canadian Base Rate Borrowing shall bear interest at the Canadian Prime Rate plus the Applicable Rate. Each Swiss Swingline Loan shall bear interest at the Overnight Foreign Currency Rate.

(b) The Loans comprising each Eurocurrency Borrowing shall bear interest at the Adjusted LIBO Rate for the Interest Period in effect for such Borrowing plus the Applicable Rate. The Loans comprising each BA Equivalent Borrowing shall bear interest at the BA Rate for the Interest Period in effect for such Borrowing plus the Applicable Rate.

(c) Notwithstanding the foregoing, if any principal of or interest on any Loan or any fee or other amount payable by any Borrower hereunder is not paid when due, whether at stated maturity, upon acceleration or otherwise, such overdue amount shall bear interest, after as well as before judgment, at a rate per annum equal to (i) in the case of overdue principal of any Loan (to the extent permitted by applicable law), 2% plus the rate otherwise applicable to such Loan as provided in the preceding paragraphs of this Section or (ii) in the case of any other amount, 2% plus the rate applicable to ABR Loans as provided in paragraph (a) of this Section.

(d) Accrued interest on each Revolving Loan shall be payable in arrears on each Interest Payment Date for such Revolving Loan and upon termination of the Commitments; provided that (i) interest accrued pursuant to paragraph (c) of this Section shall be payable on demand, (ii) in the event of any repayment or prepayment of any Loan (other than a prepayment of an ABR Revolving Loan or a Canadian Base Rate Loan prior to the end of the Availability Period), accrued interest on the principal amount repaid or prepaid shall be payable on the date of such repayment or prepayment and (iii) in the event of any conversion of any Eurocurrency Revolving Loan or BA Equivalent Loan prior to the end of the current Interest Period therefor, accrued interest on such Loan shall be payable on the effective date of such conversion.

(e) All interest hereunder shall be computed on the basis of a year of 360 days, except that interest (i) computed by reference to the Alternate Base Rate at times when the Alternate Base Rate is based on the Prime Rate, computed by reference to the BA Rate or computed on the basis of the Canadian Prime Rate shall be computed on the basis of a year of 365 days (or 366 days in a leap year) and (ii) for Borrowings denominated in Pounds Sterling shall be computed on the basis of a year of 365 days, and in each case shall be payable for the actual number of days elapsed (including the first day but excluding the last day). The applicable Alternate Base Rate, Canadian Prime Rate, Adjusted LIBO Rate, LIBO Rate or BA Rate shall be determined by the Administrative Agent, and such determination shall be conclusive absent manifest error.

(f) The interest rates provided for in this Agreement, including this Section 2.13 are minimum interest rates. When entering into this Agreement, the parties have assumed that the interest payable at the rates set out in this Section or in other Sections of this Agreement is not and will not become subject to the Swiss Withholding Tax. Notwithstanding that the parties do not anticipate that any payment of interest will be subject to the Swiss Withholding Tax, they agree that, in the event that the Swiss Withholding Tax should be imposed on interest payments, the payment of interest

due by any Swiss Borrower shall, subject to Section 2.17 (including any limitations therein and any obligations of the Lenders thereunder) and Section 2.25, be increased to an amount which (after making any deduction of the Non-Refundable Portion (as defined below) of the Swiss Withholding Tax) results in a payment to each Lender entitled to such payment of an amount equal to the payment which would have been due had no deduction of Swiss Withholding Tax been required. For this purpose, the Swiss Withholding Tax shall be calculated on the full grossed-up interest amount. To the extent that interest payable by a Swiss Borrower under this Agreement becomes subject to Swiss Withholding Tax, each relevant Lender and that Swiss Borrower shall promptly cooperate in completing any procedural formalities (including submitting forms and documents required by the appropriate Tax authority) to the extent possible and necessary for that Swiss Borrower to obtain authorization to make interest payments without being subject to Swiss Withholding Tax or to reduce the applicable withholding tax rate and in order to prepare a claim or claims for a full or partial refund under any applicable double taxation treaty for any person which is entitled to such full or partial refund. For the purposes of this Section, "Non-Refundable Portion" shall mean Swiss Withholding Tax at the standard rate (being, as at the date hereof, 35%) unless a tax ruling issued by the Swiss Federal Tax Administration (SFTA) confirms that, in relation to a specific Lender based on an applicable double tax treaty, the Non-Refundable Portion is a specified lower rate in which case such lower rate shall be applied in relation to such Lender. Each Swiss Borrower shall provide to the Administrative Agent the documents required by law or applicable double taxation treaties for the Lenders to claim a refund of any Swiss Withholding Tax so deducted.

(g) If, in any applicable jurisdiction, the Administrative Agent, any Issuing Bank or any Lender determines that any applicable law has made it unlawful, or that any Governmental Authority has asserted that it is unlawful, for the Administrative Agent, any Issuing Bank or any Lender to (i) perform any of its obligations hereunder or under any other Loan Document, (ii) to fund or maintain its participation in any Loan or Letter of Credit or (iii) issue, make, maintain, fund or charge interest with respect to any Loan or Letter of Credit, such Person shall promptly notify the Administrative Agent, then, upon the Administrative Agent notifying the Company, and until such notice by such Person is revoked (which revocation such Person shall provide promptly when such activity is no longer unlawful), any obligation of such Person to issue, make, maintain, fund or charge interest with respect to any such Loan or Letter of Credit shall be suspended, and to the extent required by applicable law, cancelled. Upon receipt of such notice, the Loan Parties shall, (x) repay that Person's participation in the Loans or other applicable Obligations on the last day of the Interest Period for each Loan or other Obligation occurring after the Administrative Agent has notified the Company or, if earlier, the date specified by such Person in the notice delivered to the Administrative Agent (being no earlier than the last day of any applicable grace period permitted by applicable law) and (y) take all reasonable actions requested by such Person to mitigate or avoid such illegality.

Section 2.14. Alternate Rate of Interest.

(a) If at the time that the Administrative Agent shall seek to determine the LIBOR Screen Rate on the Quotation Day for any Interest Period for a Eurocurrency Borrowing, the LIBOR Screen Rate shall not be available for such Interest Period and/or for the applicable currency with respect to such Eurocurrency Borrowing for any reason, and the Administrative Agent shall reasonably determine that it is not possible to determine the Interpolated Rate (which conclusion shall be conclusive and binding absent manifest error), then the LIBO Rate shall be the Reference Bank Rate for such Interest Period for such Eurocurrency Borrowing; provided that if the Reference Bank Rate shall be less than zero, such rate shall be deemed to be zero for purposes of this Agreement; provided, further, however, that if less than two Reference Banks shall supply a rate to the

Administrative Agent for purposes of determining the LIBO Rate for such Eurocurrency Borrowing, (i) if such Eurocurrency Borrowing shall be requested in Dollars, then such Borrowing shall be made as an ABR Borrowing at the Alternate Base Rate and (ii) if such Eurocurrency Borrowing shall be requested in any Foreign Currency, the LIBO Rate shall be equal to the rate determined by the Administrative Agent in its reasonable discretion after consultation with the Company and consented to in writing by the Required Lenders (the “Alternative Rate”); provided, however, that until such time as the Alternative Rate shall be determined and so consented to by the Required Lenders, Borrowings shall not be available in such Foreign Currency.

(b) If prior to the commencement of any Interest Period for a Eurocurrency Borrowing or BA Equivalent Borrowing:

(i) the Administrative Agent reasonably determines (which determination shall be conclusive and binding absent manifest error) that adequate and reasonable means do not exist (other than pursuant to the circumstances covered by Section 2.14(a) above) for ascertaining (i) the Adjusted LIBO Rate or the LIBO Rate, as applicable, for a Loan in the applicable currency or for such Interest Period or (ii) in the case of a BA Equivalent Borrowing, the BA Rate for such Interest Period; or

(ii) the Administrative Agent is advised by the Required Lenders that (i) in the case of a Eurocurrency Borrowing, the Adjusted LIBO Rate or the LIBO Rate, as applicable, for a Loan in the applicable currency or for such Interest Period, or (ii) in the case of a BA Equivalent Borrowing, the BA Rate for such Interest Period, in either case will not adequately and fairly reflect the cost to such Lenders of making or maintaining their Loans included in such Borrowing for such Interest Period;

then the Administrative Agent shall give notice thereof to the applicable Borrower and the Lenders by telephone or telecopy as promptly as practicable thereafter and, until the Administrative Agent notifies the applicable Borrower and the Lenders that the circumstances giving rise to such notice no longer exist, (i) any Interest Election Request that requests the conversion of any Revolving Borrowing to, or continuation of any Revolving Borrowing as, a Eurocurrency Borrowing or BA Equivalent Borrowing shall be ineffective and, unless repaid, (A) in the case of a Eurocurrency Borrowing denominated in Dollars, such Borrowing shall be made as an ABR Borrowing and (B) in the case of a Eurocurrency Borrowing denominated in a Foreign Currency or BA Equivalent Borrowing, as applicable, such Eurocurrency Borrowing or BA Equivalent Borrowing, as applicable, shall be repaid on the last day of the then current Interest Period applicable thereto, (ii) if any Borrowing Request requests a Eurocurrency Revolving Borrowing in Dollars or a BA Rate Borrowing, such Borrowing shall be made as an ABR Borrowing or Canadian Base Rate Borrowing, as applicable and (iii) if any Borrowing Request requests a Eurocurrency Revolving Borrowing denominated in a Foreign Currency, then the LIBO Rate for such Eurocurrency Revolving Borrowing shall be the Alternative Rate; provided that if the circumstances giving rise to such notice affect only one Type of Borrowings, then the other Type of Borrowings shall be permitted.

Section 2.15. Increased Costs. (a) If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, special deposit, liquidity or similar requirement (including any compulsory loan requirement, insurance charge or other assessment) against assets of, deposits with or for the account of, or credit extended by, any Lender (except any such reserve requirement reflected in the Adjusted LIBO Rate) or any Issuing Bank;

(ii) impose on any Lender or any Issuing Bank or the London interbank market any other condition, cost or expense (other than Taxes or any condition, cost or expense reflected in the Adjusted LIBO Rate) affecting this Agreement or Loans made by such Lender or any Letter of Credit or participation therein; or

(iii) subject any Recipient to any Taxes (other than (A) Indemnified Taxes, (B) Taxes described in clauses (b) through (d) of the definition of Excluded Taxes, (C) Connection Income Taxes, and (D) any Other Taxes that are reimbursed under Section 2.17(b)) on its loans, loan principal, letters of credit, commitments, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto;

and the result of any of the foregoing shall be to increase the cost to such Lender or such other Recipient of making, continuing, converting into or maintaining any Loan or of maintaining its obligation to make any such Loan or to increase the cost to such Lender, such Issuing Bank or such other Recipient of participating in, issuing or maintaining any Letter of Credit or to reduce the amount of any sum received or receivable by such Lender, such Issuing Bank or such other Recipient hereunder, whether of principal, interest or otherwise, then upon request of such Lender, such Issuing Bank or such other Recipient, the applicable Borrower will pay to such Lender, such Issuing Bank or such other Recipient, as the case may be, such additional amount or amounts as will compensate such Lender, such Issuing Bank or such other Recipient, as the case may be, for such additional costs incurred or reduction suffered.

(b) If any Lender or any Issuing Bank determines that any Change in Law regarding capital or liquidity requirements has or would have the effect of reducing the rate of return on such Lender's or such Issuing Bank's capital or on the capital of such Lender's or such Issuing Bank's holding company, if any, as a consequence of this Agreement or the Loans made by, or participations in Letters of Credit or Swingline Loans held by, such Lender, or the Letters of Credit issued by such Issuing Bank, to a level below that which such Lender or such Issuing Bank or such Lender's or such Issuing Bank's holding company could have achieved but for such Change in Law (taking into consideration such Lender's or such Issuing Bank's policies and the policies of such Lender's or such Issuing Bank's holding company with respect to capital adequacy and liquidity), then from time to time the applicable Borrower will pay to such Lender or such Issuing Bank, as the case may be, such additional amount or amounts as will compensate such Lender or such Issuing Bank or such Lender's or such Issuing Bank's holding company for any such reduction suffered.

(c) A certificate of a Lender or an Issuing Bank setting forth in reasonable detail the calculation of the amount or amounts necessary to compensate such Lender or such Issuing Bank or its holding company, as the case may be, as specified in paragraph (a) or (b) of this Section shall be delivered to the Company and shall be conclusive absent manifest error; provided that no Lender or Issuing Bank shall be required to include in any such certificate any proprietary information (including, without limitation, any pricing information) or any other information that may not be disclosed pursuant to applicable confidentiality requirements or applicable law. The Company shall pay, or cause the other Borrowers to pay, such Lender or such Issuing Bank, as the case may be, the amount shown as due on any such certificate within ten (10) days after receipt thereof.

(d) Failure or delay on the part of any Lender or any Issuing Bank to demand compensation pursuant to this Section shall not constitute a waiver of such Lender's or such Issuing Bank's right to demand such compensation; provided that the Company shall not be required to compensate a Lender or an Issuing Bank pursuant to this Section for any increased costs or reductions incurred more than 180 days prior to the date that such Lender or such Issuing Bank, as the case

may be, notifies the Company of the Change in Law giving rise to such increased costs or reductions and of such Lender's or such Issuing Bank's intention to claim compensation therefor; provided further that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the 180-day period referred to above shall be extended to include the period of retroactive effect thereof.

Section 2.16. Break Funding Payments. In the event of (a) the payment of any principal of any Eurocurrency Loan or BA Equivalent Loan other than on the last day of an Interest Period applicable thereto (including as a result of an Event of Default or as a result of any prepayment pursuant to Section 2.11), (b) the conversion of any Eurocurrency Loan or BA Equivalent Loan other than on the last day of the Interest Period applicable thereto, (c) the failure to borrow, convert, continue or prepay any Eurocurrency Loan or BA Equivalent Loan on the date specified in any notice delivered pursuant hereto (regardless of whether such notice may be revoked under Section 2.11(a) and is revoked in accordance therewith) or (d) the assignment of any Eurocurrency Loan other than on the last day of the Interest Period applicable thereto as a result of a request by the Company pursuant to Section 2.19, then, in any such event, the Borrowers shall compensate each Lender for the loss, cost and expense attributable to such event (excluding any loss of margin or anticipated profit). Such loss, cost or expense to any Lender shall be deemed to include an amount determined by such Lender to be the excess, if any, of (i) the amount of interest which would have accrued on the principal amount of such Loan had such event not occurred, at the Adjusted LIBO Rate or BA Rate, as applicable, that would have been applicable to such Loan, for the period from the date of such event to the last day of the then current Interest Period therefor (or, in the case of a failure to borrow, convert or continue, for the period that would have been the Interest Period for such Loan), over (ii) the amount of interest which would accrue on such principal amount for such period at the interest rate which such Lender would bid were it to bid, at the commencement of such period, for deposits in the relevant currency of a comparable amount and period from other banks in the eurocurrency market (or with respect to BA Equivalent Loans, the Canadian bank market). A certificate of any Lender setting forth in reasonable detail the calculation of any amount or amounts that such Lender is entitled to receive pursuant to this Section shall be delivered to the applicable Borrower and shall be conclusive absent manifest error. The applicable Borrower shall pay such Lender the amount shown as due on any such certificate within ten (10) Business Days after receipt thereof.

Section 2.17. Taxes. (a) Payments Free of Taxes. Any and all payments by or on account of any obligation of any Loan Party under any Loan Document shall be made without deduction or withholding for any Taxes, except as required by applicable law. If any applicable law (as determined in the good faith discretion of an applicable withholding agent) requires the deduction or withholding of any Tax from any such payment by a withholding agent, then the applicable withholding agent shall be entitled to make such deduction or withholding and shall timely pay the full amount deducted or withheld to the relevant Governmental Authority in accordance with applicable law and, if such Tax is an Indemnified Tax, then the sum payable by the applicable Loan Party shall be increased as necessary so that after such deduction or withholding has been made (including such deductions and withholdings applicable to additional sums payable under this Section 2.17) the applicable Recipient receives an amount equal to the sum it would have received had no such deduction or withholding been made.

(b) Payment of Other Taxes by the Borrowers. The relevant Borrower shall timely pay to the relevant Governmental Authority in accordance with applicable law, or at the option of the Administrative Agent timely reimburse it for the payment of, Other Taxes.

(c) Evidence of Payments. As soon as practicable after any payment of Taxes by any Loan Party to a Governmental Authority pursuant to this Section 2.17, such Loan Party shall deliver

to the Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent.

(d) Indemnification by the Loan Parties. To the extent not paid pursuant to Section 2.17(a) or Section 2.17(b), the Loan Parties shall indemnify each Recipient, within 10 days after demand therefor, for the full amount of any Indemnified Taxes (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section) payable or paid by such Recipient or required to be withheld or deducted from a payment to such Recipient and any reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the relevant Borrower by a Lender (with a copy to the Administrative Agent), or by the Administrative Agent on its own behalf or on behalf of a Lender, shall be conclusive absent manifest error.

(e) Indemnification by the Lenders. Each Lender shall severally indemnify the Administrative Agent, within 10 days after demand therefor, for (i) any Indemnified Taxes attributable to such Lender (but only to the extent that any Loan Party has not already indemnified the Administrative Agent for such Indemnified Taxes and without limiting the obligation of the Loan Parties to do so), (ii) any Taxes attributable to such Lender's failure to comply with the provisions of Section 9.04(c) relating to the maintenance of a Participant Register and (iii) any Excluded Taxes attributable to such Lender, in each case, that are payable or paid by the Administrative Agent in connection with any Loan Document, and any reasonable expenses arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to any Lender by the Administrative Agent shall be conclusive absent manifest error. Each Lender hereby authorizes the Administrative Agent to set off and apply any and all amounts at any time owing to such Lender under any Loan Document or otherwise payable by the Administrative Agent to the Lender from any other source against any amount due to the Administrative Agent under this paragraph (e).

(f) Status of Lenders. (i) Any Lender that is entitled to an exemption from or reduction of withholding Tax with respect to payments made under any Loan Document shall deliver to the Borrowers and the Administrative Agent, at the time or times reasonably requested by the Borrowers or the Administrative Agent, such properly completed and executed documentation reasonably requested by the Borrowers or the Administrative Agent as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Lender, if requested by the Borrowers or the Administrative Agent, shall deliver such other documentation prescribed by applicable law or reasonably requested by the Borrowers or the Administrative Agent as will enable the Borrowers or the Administrative Agent to determine whether or not such Lender is subject to backup withholding or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation set forth in Section 2.17(f)(ii)(A), (ii)(B) and (ii)(D) below) shall not be required if in the Lender's reasonable judgment such completion, execution or submission would subject such Lender to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Lender.

(ii) Without limiting the generality of the foregoing, in the event that any Borrower is a U.S. Person:

(A) any Lender that is a U.S. Person shall deliver to such Borrower and the Administrative Agent on or prior to the date on which such Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of such Borrower or the Administrative Agent), executed originals of IRS Form W-9 certifying that such Lender is exempt from U.S. federal backup withholding tax;

(B) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to such Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of such Borrower or the Administrative Agent), whichever of the following is applicable;

(1) in the case of a Foreign Lender claiming the benefits of an income tax treaty to which the United States is a party (x) with respect to payments of interest under any Loan Document, executed originals of IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable, establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the “interest” article of such tax treaty and (y) with respect to any other applicable payments under any Loan Document, IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable, establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the “business profits” or “other income” article of such tax treaty;

(2) in the case of a Foreign Lender claiming that its extension of credit will generate U.S. effectively connected income, executed originals of IRS Form W-8ECI;

(3) in the case of a Foreign Lender claiming the benefits of the exemption for portfolio interest under Section 881(c) of the Code, (x) a certificate substantially in the form of Exhibit H-1 to the effect that such Foreign Lender is not a “bank” within the meaning of Section 881(c)(3)(A) of the Code, a “10 percent shareholder” of such Borrower within the meaning of Section 881(c)(3)(B) of the Code, or a “controlled foreign corporation” described in Section 881(c)(3)(C) of the Code (a “U.S. Tax Compliance Certificate”) and (y) executed originals of IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable; or

(4) to the extent a Foreign Lender is not the beneficial owner, executed originals of IRS Form W-8IMY, accompanied by IRS Form W-8ECI, IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable, a U.S. Tax Compliance Certificate substantially in the form of Exhibit H-2 or Exhibit H-3, IRS Form W-9, and/or other certification documents from each beneficial owner, as applicable; provided that if the Foreign Lender is a partnership and one or more direct or indirect partners of such Foreign Lender are claiming the portfolio interest exemption, such Foreign Lender may provide a U.S. Tax Compliance Certificate substantially in the form of Exhibit H-4 on behalf of each such direct and indirect partner;

(C) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to such Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of such Borrower or the Administrative Agent), executed originals of any other form

prescribed by applicable law as a basis for claiming exemption from or a reduction in U.S. federal withholding Tax, duly completed, together with such supplementary documentation as may be prescribed by applicable law to permit such Borrower or the Administrative Agent to determine the withholding or deduction required to be made; and

(D) if a payment made to a Lender under any Loan Document would be subject to U.S. federal withholding Tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Lender shall deliver to such Borrower and the Administrative Agent at the time or times prescribed by law and at such time or times reasonably requested by such Borrower or the Administrative Agent such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by such Borrower or the Administrative Agent as may be necessary for such Borrower and the Administrative Agent to comply with their obligations under FATCA and to determine that such Lender has complied with such Lender's obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of this clause (D), "FATCA" shall include any amendments made to FATCA after the date of this Agreement.

Each Lender agrees that if any form or certification it previously delivered expires or becomes obsolete or inaccurate in any respect, it shall update such form or certification or promptly notify the Company and the Administrative Agent in writing of its legal inability to do so.

(iii) Without limiting the generality of the foregoing, in the event that any Borrower is a UK Loan Party, each Recipient which is a party to this Agreement at the date of this Agreement or which becomes a party to this Agreement after the date of this Agreement shall notify the Administrative Agent on becoming party to this Agreement which of the following categories it falls within:

- a. not a Qualifying Recipient;
- b. a Qualifying Recipient (other than a Treaty Recipient); or
- c. a Treaty Recipient.

If a Recipient fails to indicate its status in accordance with this Section 2.17(f)(iii) then such Recipient shall be treated for the purposes of this Agreement and by each UK Loan Party as if it is not a Qualifying Recipient until such time as it notifies the Administrative Agent which category applies (and the Administrative Agent, upon receipt of such notification, shall inform each UK Loan Party). Any Treaty Recipient and each UK Loan Party which makes a payment to which that Treaty Recipient is entitled shall cooperate in completing any procedural formalities necessary for that UK Loan Party to obtain authorization from HM Revenue & Customs to make that payment without withholding or deduction of Tax (including the Treaty Recipient providing its scheme reference number under HM Revenue & Custom's Double Tax Treaty Passport scheme (if applicable) and its jurisdiction of tax residence). Each Recipient and UK Loan Party shall, upon becoming aware that a UK Loan Party must make a withholding of UK Tax from a payment to a Recipient, promptly notify the Administrative Agent, and if the Administrative Agent receives such notification from a Recipient, it shall notify the relevant UK Loan Party.

(g) Treatment of Certain Refunds. If any party determines, in its sole discretion exercised in good faith, that it has received a refund of any Taxes as to which it has been indemnified pursuant to this Section 2.17 (including by the payment of additional amounts pursuant to this Section 2.17), it shall pay to the indemnifying party an amount equal to such refund (but only to the extent of indemnity payments made under this Section 2.17 with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses (including Taxes) of such indemnified party and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund). Such indemnifying party, upon the request of such indemnified party, shall repay to such indemnified party the amount paid over pursuant to this paragraph (g) (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) in the event that such indemnified party is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this paragraph (g), in no event will the indemnified party be required to pay any amount to an indemnifying party pursuant to this paragraph (g) the payment of which would place the indemnified party in a less favorable net after-Tax position than the indemnified party would have been in if the Tax subject to indemnification and giving rise to such refund had not been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts with respect to such Tax had never been paid. This paragraph shall not be construed to require any indemnified party to make available its Tax returns (or any other information relating to its Taxes that it deems confidential) to the indemnifying party or any other Person.

(h) Survival. Each party's obligations under this Section 2.17 shall survive the resignation or replacement of the Administrative Agent or any assignment of rights by, or the replacement of, a Lender, the termination of the Commitments and the repayment, satisfaction or discharge of all obligations under any Loan Document.

(i) Defined Terms. For purposes of this Section 2.17, the term "Lender" includes each Issuing Bank and the term "applicable law" includes FATCA.

(j) Swiss Qualifying Bank. Each Lender confirms that it is a Swiss Qualifying Bank or, if not, a single person only for the purpose of the Swiss Non-Bank Rules and any other Person that shall become a Lender or a Participant pursuant to Section 9.04 of this Agreement shall be deemed to have confirmed that it is a Swiss Qualifying Bank or, if not, a single person only for the purpose of the Swiss Non-Bank Rules.

(k) Certain FATCA Matters. Solely for purposes of determining withholding Taxes imposed under FATCA, from and after the Effective Date, the Borrowers and the Administrative Agent shall treat (and the Lenders hereby authorize the Administrative Agent to treat) this Agreement and the Loans as not qualifying as "grandfathered obligations" within the meaning of Treasury Regulation Section 1.1471-2(b)(2)(i).

Section 2.18. Payments Generally; Pro Rata Treatment; Sharing of Set-offs.

(a) Each Borrower shall make each payment required to be made by it hereunder (whether of principal, interest, fees or reimbursement of LC Disbursements, or of amounts payable under Sections 2.13(f), 2.15, 2.16 or 2.17, or otherwise) prior to (i) in the case of payments denominated in Dollars, 12:00 noon, New York City time and (ii) in the case of payments denominated in a Foreign Currency, 12:00 noon, Local Time, in the city of the Administrative Agent's Applicable Payment Office for such currency, in each case on the date when due, in immediately available funds, without set-off or counterclaim. Any amounts received after such time on any date

may, in the discretion of the Administrative Agent, be deemed to have been received on the next succeeding Business Day for purposes of calculating interest thereon. All such payments shall be made (i) in the same currency in which the applicable Credit Event was made (or where such currency has been converted to another currency as required hereby, in such other currency) and (ii) to the Administrative Agent at its offices at 10 South Dearborn Street, Chicago, Illinois 60603 or, in the case of a Credit Event denominated in a Foreign Currency, the Administrative Agent's Applicable Payment Office for such currency, except payments to be made directly to an Issuing Bank or the Swingline Lender as expressly provided herein and except that payments pursuant to Sections 2.13(f), 2.15, 2.16, 2.17 and 9.03 shall be made directly to the Persons entitled thereto. The Administrative Agent shall distribute any such payments denominated in the same currency received by it for the account of any other Person to the appropriate recipient promptly following receipt thereof. If any payment hereunder shall be due on a day that is not a Business Day, the date for payment shall be extended to the next succeeding Business Day, and, in the case of any payment accruing interest, interest thereon shall be payable for the period of such extension. Notwithstanding the foregoing provisions of this Section, if, after the making of any Credit Event in any Foreign Currency, currency control or exchange regulations are imposed in the country which issues such currency with the result that the type of currency in which the Credit Event was made (the "Original Currency") no longer exists or any Borrower is not able to make payment to the Administrative Agent for the account of the Lenders in such Original Currency, or the terms of this Agreement allow or require the conversion of such Credit Event into Dollars, then all payments to be made by such Borrower hereunder in such currency shall, to the fullest extent permitted by law, instead be made when due in Dollars in an amount equal to the Dollar Amount (as of the date of repayment) of such payment due, it being the intention of the parties hereto that the Borrowers take all risks of the imposition of any such currency control or exchange regulations or conversion, and each Borrower agrees to indemnify and hold harmless the Swingline Lender, the Issuing Banks, the Administrative Agent and the Lenders from and against any loss resulting from any Credit Event made to or for the benefit of such Borrower denominated in a Foreign Currency that is not repaid to the Swingline Lender, the Issuing Banks, the Administrative Agent or the Lenders, as the case may be, in the Original Currency.

(b) If at any time insufficient funds are received by and available to the Administrative Agent to pay fully all amounts of principal, unreimbursed LC Disbursements, interest and fees then due hereunder, such funds shall be applied (i) first, towards payment of interest and fees then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of interest and fees then due to such parties, and (ii) second, towards payment of principal and unreimbursed LC Disbursements then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of principal and unreimbursed LC Disbursements then due to such parties.

(c) Intentionally omitted.

(d) If any Lender shall, by exercising any right of set-off or counterclaim or otherwise, obtain payment in respect of any principal of or interest on any of its Revolving Loans or participations in LC Disbursements or Swingline Loans resulting in such Lender receiving payment of a greater proportion of the aggregate amount of its Revolving Loans and participations in LC Disbursements and Swingline Loans and accrued interest thereon than its ratable share thereof, then the Lender receiving such greater proportion shall purchase (for cash at face value) participations in the Revolving Loans and participations in LC Disbursements and Swingline Loans of other Lenders to the extent necessary so that the benefit of all such payments shall be shared by the Lenders ratably in accordance with the aggregate amount of principal of and accrued interest on their respective Revolving Loans and participations in LC Disbursements and Swingline Loans; provided that (i) if

any such participations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations shall be rescinded and the purchase price restored to the extent of such recovery, without interest, and (ii) the provisions of this paragraph shall not be construed to apply to any payment made by any Borrower pursuant to and in accordance with the express terms of this Agreement or any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Loans or participations in LC Disbursements and Swingline Loans to any assignee or participant, other than to the Company or any Subsidiary or Affiliate thereof (as to which the provisions of this paragraph shall apply). Each Borrower consents to the foregoing and agrees, to the extent it may effectively do so under applicable law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against such Borrower rights of set-off and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of such Borrower in the amount of such participation.

(e) Unless the Administrative Agent shall have received notice from the relevant Borrower prior to the date on which any payment is due to the Administrative Agent for the account of the Lenders or the Issuing Banks hereunder that such Borrower will not make such payment, the Administrative Agent may assume that such Borrower has made such payment on such date in accordance herewith and may, in reliance upon such assumption, distribute to the Lenders or the Issuing Banks, as the case may be, the amount due. In such event, if such Borrower has not in fact made such payment, then each of the Lenders or the Issuing Banks, as the case may be, severally agrees to repay to the Administrative Agent forthwith on demand the amount so distributed to such Lender or such Issuing Bank with interest thereon, for each day from and including the date such amount is distributed to it to but excluding the date of payment to the Administrative Agent, at the greater of the Federal Funds Effective Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation (including without limitation the Overnight Foreign Currency Rate in the case of Loans denominated in a Foreign Currency).

(f) If any Lender shall fail to make any payment required to be made by it pursuant to Section 2.05(c), 2.06(d) or (e), 2.07(b), 2.18(e) or 9.03(c), then the Administrative Agent may, in its discretion (notwithstanding any contrary provision hereof), (i) apply any amounts thereafter received by the Administrative Agent for the account of such Lender and for the benefit of the Administrative Agent, the Swingline Lender or the Issuing Banks to satisfy such Lender's obligations to it under any such Section until all such unsatisfied obligations are fully paid and/or (ii) hold any such amounts in a segregated account over which the Administrative Agent shall have exclusive control as cash collateral for, and application to, any future funding obligations of such Lender under any such Section; in the case of each of clauses (i) and (ii) above, in any order as determined by the Administrative Agent in its discretion.

Section 2.19. Mitigation Obligations; Replacement of Lenders. (a) If any Lender requests compensation under Sections 2.13(f) or 2.15, or if any Borrower is required to pay any Indemnified Taxes or additional amounts to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.17, then such Lender shall use reasonable efforts to designate a different lending office for funding or booking its Loans hereunder or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if, in the reasonable judgment of such Lender, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to Sections 2.13(f), 2.15 or 2.17, as the case may be, in the future and (ii) would not subject such Lender to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender. The Company hereby agrees to pay all reasonable costs and expenses incurred by any Lender in connection with any such designation or assignment.

(b) If (i) any Lender requests compensation under Sections 2.13(f) or 2.15, (ii) any Borrower is required to pay any Indemnified Taxes or additional amounts to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.17 or (iii) any Lender becomes a Defaulting Lender, then the Company may, at its sole expense and effort, upon notice to such Lender and the Administrative Agent, require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in Section 9.04), all its interests, rights (other than its existing rights to payments pursuant to Sections 2.13(f), 2.15 or 2.17) and obligations under the Loan Documents to an assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment); provided that (i) the Company shall have received the prior written consent of the Administrative Agent (and if a Commitment is being assigned, each Issuing Bank and the Swingline Lender), which consent shall not unreasonably be withheld, (ii) such Lender shall have received payment of an amount equal to the outstanding principal of its Loans and participations in LC Disbursements and Swingline Loans, accrued interest thereon, accrued fees and all other amounts payable to it hereunder, from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the Borrowers (in the case of all other amounts) and (iii) in the case of any such assignment resulting from a claim for compensation under Sections 2.13(f) or 2.15 or payments required to be made pursuant to Section 2.17, such assignment will result in a reduction in such compensation or payments. A Lender shall not be required to make any such assignment and delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling the Company to require such assignment and delegation cease to apply.

Section 2.20. Expansion Option. The Company may from time to time elect to increase the Commitments or enter into one or more tranches of term loans (each an “Incremental Term Loan”), in each case in minimum increments of \$10,000,000 so long as, after giving effect thereto, the aggregate amount of such increases and all such Incremental Term Loans does not exceed \$500,000,000. The Company may arrange for any such increase or tranche to be provided by one or more Lenders (each Lender so agreeing to an increase in its Commitment, or to participate in such Incremental Term Loans, an “Increasing Lender”), or by one or more new banks, financial institutions or other entities (each such new bank, financial institution or other entity, an “Augmenting Lender”; provided that no Ineligible Institution may be an Augmenting Lender), which agree to increase their existing Commitments, or to participate in such Incremental Term Loans, or provide new Commitments, as the case may be; provided that (i) each Augmenting Lender, shall be subject to the approval of the Company and the Administrative Agent (such consent not to be unreasonably withheld or delayed) and (ii) (x) in the case of an Increasing Lender, the Company and such Increasing Lender execute an agreement substantially in the form of Exhibit C hereto, and (y) in the case of an Augmenting Lender, the Company and such Augmenting Lender execute an agreement substantially in the form of Exhibit D hereto. No consent of any Lender (other than the Lenders participating in the increase or any Incremental Term Loan) shall be required for any increase in Commitments or Incremental Term Loan pursuant to this Section 2.20. Increases and new Commitments and Incremental Term Loans created pursuant to this Section 2.20 shall become effective on the date agreed by the Company, the Administrative Agent and the relevant Increasing Lenders or Augmenting Lenders, and the Administrative Agent shall notify each Lender thereof. Notwithstanding the foregoing, no increase in the Commitments (or in the Commitment of any Lender) or tranche of Incremental Term Loans shall become effective under this paragraph unless, (i) on the proposed date of the effectiveness of such increase or Incremental Term Loans, (A) the conditions set forth in paragraphs (a) and (b) of Section 4.02 shall be satisfied or waived by the Required Lenders and the Administrative Agent shall have received a certificate to that effect dated such date and executed by a Financial Officer of the Company and (B) the Company shall be in compliance (on a Pro Forma Basis) with the covenant contained in Section 6.08 and (ii) the Administrative Agent shall have received documents (including legal opinions) consistent with those delivered on the Effective Date as to the organizational

power and authority of the Borrowers to borrow hereunder after giving effect to such increase. On the effective date of any increase in the Commitments or any Incremental Term Loans being made, (i) each relevant Increasing Lender and Augmenting Lender shall make available to the Administrative Agent such amounts in immediately available funds as the Administrative Agent shall determine, for the benefit of the other Lenders, as being required in order to cause, after giving effect to such increase and the use of such amounts to make payments to such other Lenders, each Lender's portion of the outstanding Revolving Loans of all the Lenders to equal its Applicable Percentage of such outstanding Revolving Loans, and (ii) except in the case of any Incremental Term Loans, the Borrowers shall be deemed to have repaid and reborrowed all outstanding Revolving Loans as of the date of any increase in the Commitments (with such reborrowing to consist of the Types of Revolving Loans, with related Interest Periods if applicable, specified in a notice delivered by the applicable Borrower, or the Company on behalf of the applicable Borrower, in accordance with the requirements of Section 2.03). The deemed payments made pursuant to clause (ii) of the immediately preceding sentence shall be accompanied by payment of all accrued interest on the amount prepaid and, in respect of each Eurocurrency Loan, unless waived by any applicable Lender in its reasonable discretion, shall be subject to indemnification by the Borrowers pursuant to the provisions of Section 2.16 if the deemed payment occurs other than on the last day of the related Interest Periods. The Incremental Term Loans (a) shall rank pari passu in right of payment with the Revolving Loans, (b) shall not mature earlier than the latest Maturity Date in effect on the date of incurrence of such Incremental Term Loans (but may have amortization prior to such date) and (c) shall be treated substantially the same as (and in any event no more favorably than) the Revolving Loans; provided that (i) the terms and conditions applicable to any tranche of Incremental Term Loans maturing after the latest Maturity Date in effect on the date of incurrence of such Incremental Term Loans may provide for material additional or different financial or other covenants or prepayment requirements applicable only during periods after the latest Maturity Date in effect on the date of incurrence of such Incremental Term Loans and (ii) the Incremental Term Loans may be priced differently than the Revolving Loans. Incremental Term Loans may be made hereunder pursuant to an amendment or restatement (an "Incremental Term Loan Amendment") of this Agreement and, as appropriate, the other Loan Documents, executed by the Borrowers, each Increasing Lender participating in such tranche, each Augmenting Lender participating in such tranche, if any, and the Administrative Agent. The Incremental Term Loan Amendment may, without the consent of any other Lenders, effect such amendments to this Agreement and the other Loan Documents as may be necessary or appropriate, in the reasonable opinion of the Administrative Agent, to effect the provisions of this Section 2.20 (including, without limitation, to provide that Section 2.27 may apply to such Incremental Term Loans). Nothing contained in this Section 2.20 shall constitute, or otherwise be deemed to be, a commitment on the part of any Lender to increase its Commitment hereunder, or provide Incremental Term Loans, at any time.

Section 2.21. [Intentionally Omitted] .

Section 2.22. Judgment Currency. If for the purposes of obtaining judgment in any court it is necessary to convert a sum due from any Borrower hereunder in the currency expressed to be payable herein (the "specified currency") into another currency, the parties hereto agree, to the fullest extent that they may effectively do so, that the rate of exchange used shall be that at which in accordance with normal banking procedures the Administrative Agent could purchase the specified currency with such other currency at the Administrative Agent's main New York City office on the Business Day preceding that on which final, non-appealable judgment is given. The obligations of each Borrower in respect of any sum due to any Lender or the Administrative Agent hereunder shall, notwithstanding any judgment in a currency other than the specified currency, be discharged only to the extent that on the Business Day following receipt by such Lender or the Administrative Agent (as the case may be) of any sum adjudged to be so due in such other currency such Lender or the Administrative Agent (as the case may be) may in accordance with normal, reasonable banking procedures purchase the specified currency with such other currency. If the amount of

the specified currency so purchased is less than the sum originally due to such Lender or the Administrative Agent, as the case may be, in the specified currency, each Borrower agrees, to the fullest extent that it may effectively do so, as a separate obligation and notwithstanding any such judgment, to indemnify such Lender or the Administrative Agent, as the case may be, against such loss, and if the amount of the specified currency so purchased exceeds (a) the sum originally due to any Lender or the Administrative Agent, as the case may be, in the specified currency and (b) any amounts shared with other Lenders as a result of allocations of such excess as a disproportionate payment to such Lender under Section 2.18, such Lender or the Administrative Agent, as the case may be, agrees to remit such excess to such Borrower.

Section 2.23. Designation of Foreign Subsidiary Borrowers. On the Effective Date, and subject to the satisfaction of the applicable conditions in Article IV hereto, each Initial Foreign Subsidiary Borrower shall deliver an executed signature page to this Agreement, whereupon it shall continue as a Foreign Subsidiary Borrower party to this Agreement until the Company shall have executed and delivered to the Administrative Agent a Borrowing Subsidiary Termination with respect to any such Subsidiary, whereupon such Subsidiary shall cease to be a Foreign Subsidiary Borrower and a party to this Agreement. After the Effective Date, the Company may at any time and from time to time designate any Eligible Foreign Subsidiary as a Foreign Subsidiary Borrower by delivery to the Administrative Agent of a Borrowing Subsidiary Agreement executed by such Subsidiary and the Company and the satisfaction of the other conditions precedent set forth in Section 4.03, and upon such delivery and satisfaction such Subsidiary shall for all purposes of this Agreement be a Foreign Subsidiary Borrower and a party to this Agreement until the Company shall have executed and delivered to the Administrative Agent a Borrowing Subsidiary Termination with respect to such Subsidiary, whereupon such Subsidiary shall cease to be a Foreign Subsidiary Borrower and a party to this Agreement. Notwithstanding the preceding sentence, no Borrowing Subsidiary Termination will become effective as to any Foreign Subsidiary Borrower at a time when any principal of or interest on any Loan to such Borrower shall be outstanding hereunder, provided that such Borrowing Subsidiary Termination shall be effective to terminate the right of such Foreign Subsidiary Borrower to make further Borrowings under this Agreement. As soon as practicable upon receipt of a Borrowing Subsidiary Agreement, the Administrative Agent shall furnish a copy thereof to each Lender.

Section 2.24. Defaulting Lenders. Notwithstanding any provision of this Agreement to the contrary, if any Lender becomes a Defaulting Lender, then the following provisions shall apply for so long as such Lender is a Defaulting Lender:

(a) fees shall cease to accrue on the unfunded portion of the Commitment of such Defaulting Lender pursuant to Section 2.12(a);

(b) the Commitment and Revolving Credit Exposure of such Defaulting Lender shall not be included in determining whether the Required Lenders have taken or may take any action hereunder (including any consent to any amendment, waiver or other modification pursuant to Section 9.02); provided, that, except as otherwise provided in Section 9.02, this clause (b) shall not apply to the vote of a Defaulting Lender in the case of an amendment, waiver or other modification requiring the consent of such Lender or each Lender directly affected thereby;

(c) if any Swingline Exposure or LC Exposure exists at the time such Lender becomes a Defaulting Lender then:

(i) all or any part of the Swingline Exposure and LC Exposure of such Defaulting Lender shall be reallocated among the non-Defaulting Lenders in accordance with their respective Applicable Percentages but only to the extent that (x) the sum of all non-Defaulting Lenders' Revolving Credit Exposures plus such Defaulting Lender's

Swingline Exposure and LC Exposure does not exceed the total of all non-Defaulting Lenders' Commitments and (y) the sum of each non-Defaulting Lender's Revolving Credit Exposure plus the amount of such Defaulting Lender's Swingline Exposure and LC Exposure reallocated to such non-Defaulting Lender does not exceed such non-Defaulting Lender's Commitment;

(ii) if the reallocation described in clause (i) above cannot, or can only partially, be effected, the Borrowers shall within three (3) Business Days following notice by the Administrative Agent (x) first, prepay such Swingline Exposure and (y) second, cash collateralize for the benefit of the Issuing Banks only, the Borrowers' obligations corresponding to such Defaulting Lender's LC Exposure (after giving effect to any partial reallocation pursuant to clause (i) above) in accordance with the procedures set forth in Section 2.06(j) for so long as such LC Exposure is outstanding;

(iii) if the Borrowers cash collateralize any portion of such Defaulting Lender's LC Exposure pursuant to clause (ii) above, the Borrowers shall not be required to pay any fees to such Defaulting Lender pursuant to Section 2.12(b) with respect to such Defaulting Lender's LC Exposure during the period such Defaulting Lender's LC Exposure is cash collateralized;

(iv) if the LC Exposure of the non-Defaulting Lenders is reallocated pursuant to clause (i) above, then the fees payable to the Lenders pursuant to Section 2.12(a) and Section 2.12(b) shall be adjusted in accordance with such non-Defaulting Lenders' Applicable Percentages; and

(v) if all or any portion of such Defaulting Lender's LC Exposure is neither reallocated nor cash collateralized pursuant to clause (i) or (ii) above, then, without prejudice to any rights or remedies of the relevant Issuing Bank or any other Lender hereunder, all letter of credit fees payable under Section 2.12(b) with respect to such Defaulting Lender's LC Exposure shall be payable to such Issuing Bank until and to the extent that such LC Exposure is reallocated and/or cash collateralized; and

(d) so long as such Lender is a Defaulting Lender, the Swingline Lender shall not be required to fund any Swingline Loan and the relevant Issuing Bank shall not be required to issue, amend or increase any Letter of Credit, unless it is satisfied that the related exposure and the Defaulting Lender's then outstanding LC Exposure will be 100% covered by the Commitments of the non-Defaulting Lenders and/or cash collateral will be provided by the Borrowers in accordance with Section 2.24(c), and participating interests in any such newly made Swingline Loan or any newly issued or increased Letter of Credit shall be allocated among non-Defaulting Lenders in a manner consistent with Section 2.24(c)(i) (and such Defaulting Lender shall not participate therein).

If (i) a Bankruptcy Event with respect to a Parent of any Lender shall occur following the date hereof and for so long as such event shall continue or (ii) the Swingline Lender or any Issuing Bank has a good faith belief that any Lender has defaulted in fulfilling its funding obligations under one or more other agreements in which such Lender commits to extend credit, the Swingline Lender shall not be required to fund any Swingline Loan and no Issuing Bank shall be required to issue, amend or increase any Letter of Credit, unless the Swingline Lender or such Issuing Bank, as the case may be, shall have entered into arrangements with the Company or such Lender, reasonably satisfactory to the Swingline Lender or such Issuing Bank, as the case may be, to defease any risk to it in respect of such Lender hereunder.

In the event that the Administrative Agent, the Company, the Swingline Lender and each Issuing Bank each agrees that a Defaulting Lender has adequately remedied all matters that caused such Lender to be a Defaulting Lender, then the Swingline Exposure and LC Exposure of the Lenders shall be readjusted to reflect the inclusion of such Lender's Commitment and on such date such Lender shall purchase at par such of the Loans of the other Lenders (other than Swingline Loans) as the Administrative Agent shall determine may be necessary in order for such Lender to hold such Loans in accordance with its Applicable Percentage.

Section 2.25. Financial Assistance.

(a) If and to the extent that a payment in fulfilling a liability of any Swiss Loan Party under this Agreement other than such Swiss Loan Party's own liabilities or liabilities of one of its wholly owned subsidiaries would, at the time payment is due, under Swiss law and practice (inter alia, prohibiting capital repayments or restricting profit distributions) not be permitted (such obligations, "Restricted Obligations"), then such obligations and payment amount shall from time to time be limited to the amount permitted to be paid; provided that such limited amount shall at no time be less than such Swiss Loan Party's profits and reserves available for distribution as dividends (being the balance sheet profits and any reserves available for this purpose, in each case in accordance with Article 798 of the Swiss Federal Code of Obligations) at the time or times the relevant payment is requested from such Swiss Loan Party, and further provided that such limitation (as may apply from time to time or not) shall not (generally or definitively) free such Swiss Loan Party from payment obligations hereunder in excess thereof, but merely postpone the payment date therefor until such times as payment is again permitted notwithstanding such limitation. Any and all indemnities and guarantees contained in the Loan Documents including, in particular, Section 2.17(d) shall be construed in a manner consistent with the provisions herein contained.

(b) In respect of Restricted Obligations, each Swiss Loan Party shall:

(i) if and to the extent required by applicable law in force at the relevant time:

(A) subject to any applicable double taxation treaty, deduct Swiss anticipatory tax (*Verrechnungssteuer*) at the rate of 35% (or such other rate as in force from time to time) from any payment made by it in respect of Restricted Obligations;

(B) pay any such deduction to the Swiss Federal Tax Administration; and

(C) notify (or ensure that the Company notifies) the Administrative Agent that such a deduction has been made and provide the Administrative Agent with evidence that such a deduction has been paid to the Swiss Federal Tax Administration, all in accordance with Section 2.17(a); and

(ii) to the extent such a deduction is made, not be obliged to either gross-up in accordance with Section 2.17(a) or indemnify the Secured Parties in accordance with Section 2.17(d) in relation to any such payment made by it in respect of Restricted Obligations unless grossing-up is permitted under the laws of Switzerland then in force.

(c) If and to the extent requested by the Administrative Agent and if and to the extent this is from time to time required under Swiss law (restricting profit distributions), in order to allow the Administrative Agent (or the other Secured Parties) to obtain a maximum benefit from the relevant Swiss Loan Party's liabilities under this Agreement, each Swiss Loan Party undertakes to promptly implement all such measures and/or to promptly obtain the fulfillment of all prerequisites allowing it to promptly make the requested payment(s) hereunder from time to time, including the following:

- (i) preparation of an up-to-date audited balance sheet of such Swiss Loan Party;
- (ii) confirmation of the auditors of such Swiss Loan Party that the relevant amount represents the maximum freely distributable profits;
- (iii) approval by a quotaholders' meeting of such Swiss Loan Party of the resulting profit distribution; and
- (iv) all such other measures legally permitted at such time to allow such Swiss Loan Party to make the payments agreed hereunder with a minimum of limitations to the extent such measures have been specifically and reasonably requested by the Administrative Agent and provided that such measures would not have materially adverse tax consequences for such Swiss Loan Party or any of its Affiliates.

Section 2.26. Interest Act (Canada).

(a) For the purposes of the Interest Act (Canada) and disclosure thereunder, whenever any interest or any fee to be paid hereunder or in connection herewith by any Canadian Borrower or any Guarantor incorporated or otherwise organized under the laws of Canada or any province or territory thereof is to be calculated on the basis of a 360-day or 365-day year, the yearly rate of interest to which the rate used in such calculation is equivalent is the rate so used multiplied by the actual number of days in the calendar year in which the same is to be ascertained and divided by 360 or 365, as applicable. The rates of interest under this Agreement are nominal rates, and not effective rates or yields. The principle of deemed reinvestment of interest does not apply to any interest calculation under this Agreement.

(b) If any provision of this Agreement would oblige any Canadian Borrower or any Guarantor incorporated or otherwise organized under the laws of Canada or any province or territory thereof to make any payment of interest or other amount payable to any Lender in an amount or calculated at a rate which would be prohibited by law or would result in a receipt by such Lender of "interest" at a "criminal rate" (as such terms are construed under the Criminal Code (Canada)), then, notwithstanding such provision, such amount or rate shall be deemed to have been adjusted with retroactive effect to the maximum amount or rate of interest, as the case may be, as would not be so prohibited by applicable law or so result in a receipt by such Lender of "interest" at a "criminal rate", such adjustment to be effected, to the extent necessary (but only to the extent necessary), as follows:

- (i) first, by reducing the amount or rate of interest; and
- (ii) thereafter, by reducing any fees, commissions, costs, expenses, premiums and other amounts required to be paid which would constitute interest for purposes of section 347 of the *Criminal Code* (Canada).

(c) If, notwithstanding the provisions of Section 2.26(b) and after giving effect to all adjustments contemplated thereby, a Lender shall have received an amount in excess of the maximum permitted by Section 2.26(b), then such excess shall be applied by such Lender in reduction of the principal balance of Loans owing to it.

Section 2.27. Extension of Maturity Date.

(a) Requests for Extension. The Company may, by notice to the Administrative Agent (who shall promptly notify the applicable Class of Lenders) not earlier than 60 days and not later than 30 days prior to each anniversary of the Effective Date (each such date, an “Extension Date”), request that each Lender extend such Lender’s Maturity Date then in effect (the “Applicable Maturity Date”), to the date that is one year after the Applicable Maturity Date then in effect for such Lender (the “Existing Maturity Date”). Such notice may include a condition that no extension will become effective unless Lenders representing a minimum aggregate principal amount of Loans of a given Class consent to such extension. For the avoidance of doubt, the Company may request extensions of any Class without requesting an extension of any other Class.

(b) Lender Elections to Extend. Each Lender, acting in its sole and individual discretion, shall, by notice to the Administrative Agent given not later than the date that is 15 days after the date on which the Administrative Agent received the Company’s extension request (the “Lender Notice Date”), advise the Administrative Agent whether or not such Lender agrees to such extension (each applicable Lender that determines to so extend its Applicable Maturity Date, an “Extending Lender”). Each Lender that determines not to so extend its Applicable Maturity Date (a “Non-Extending Lender”), shall notify the Administrative Agent of such fact promptly after such determination (but in any event no later than the Lender Notice Date), and any Lender that does not so advise the Administrative Agent on or before the Lender Notice Date shall be deemed to be a Non-Extending Lender. The election of any Lender to agree to such extension shall not obligate any other Lender to so agree, and it is understood and agreed that no Lender shall have any obligation whatsoever to agree to any request made by the Company for extension of the Applicable Maturity Date.

(c) Notification by Administrative Agent. The Administrative Agent shall notify the Company of each applicable Lender’s determination under this Section no later than the date that is 15 days prior to the applicable Extension Date (or, if such date is not a Business Day, on the next preceding Business Day).

(d) Additional Commitment Lenders. The Company shall have the right, but shall not be obligated, on or before the Applicable Maturity Date for any Non-Extending Lender to replace such Non-Extending Lender with, and add as a “Lender” under this Agreement in place thereof, one or more banks, financial institutions or other entities (each, an “Additional Commitment Lender”) approved by the Administrative Agent (and if a Commitment is being assigned, each Issuing Bank and the Swingline Lender), in accordance with the procedures provided in Section 2.19(b), each of which applicable Additional Commitment Lenders shall have entered into an Assignment and Assumption (in accordance with and subject to the restrictions contained in Section 9.04, with the Company or replacement Lender obligated to pay any applicable processing or recordation fee) with such Non-Extending Lender, pursuant to which such Additional Commitment Lenders shall, effective on or before the Applicable Maturity Date for such Non-Extending Lender, assume a Commitment (and, if any such Additional Commitment Lender is already a Lender, its Commitment shall be in addition to such Lender’s Commitment hereunder on such date). Prior to any Non-

Extending Lender being replaced by one or more Additional Commitment Lenders pursuant hereto, such Non-Extending Lender may elect, in its sole discretion, by giving irrevocable notice thereof to the Administrative Agent and the Company (which notice shall set forth such Lender's new Applicable Maturity Date), to become an Extending Lender.

(e) Conditions to Effectiveness of Extension. Notwithstanding the foregoing, (x) no more than two (2) extensions of the Maturity Date shall be permitted hereunder and (y) any extension of the Maturity Date pursuant to this Section 2.27 shall not be effective with respect to any Extending Lender unless:

(i) no Default or Event of Default shall have occurred and be continuing on the applicable Extension Date and immediately after giving effect thereto;

(ii) the representations and warranties of the Borrowers set forth in this Agreement are true and correct in all material respects (or in all respects if any such representation or warranty is qualified by "material" or "Material Adverse Effect") on and as of the applicable Extension Date and after giving effect thereto, as though made on and as of such date (or, if any such representation or warranty is expressly stated to have been made as of a specific date, as of such specific date); and

(iii) the Administrative Agent shall have received a certificate from the Company signed by a Financial Officer of the Company (A) certifying the accuracy of the foregoing clauses (i) and (ii) and (B) certifying and attaching the resolutions, if any are otherwise required, adopted by each Borrower approving or consenting to such extension.

(f) Maturity Date for Non-Extending Lenders. On each Existing Maturity Date applicable to such Lender, (i) to the extent of the Commitments and Loans of each Non-Extending Lender not assigned to the Additional Commitment Lenders, the Commitment of each Non-Extending Lender shall automatically terminate and (ii) the Borrowers shall repay such Non-Extending Lender in accordance with Section 2.10 (and shall pay to such Non-Extending Lender all of the other Obligations owing to it under this Agreement) and after giving effect thereto shall prepay any Loans outstanding on such date (and pay any additional amounts required pursuant to Section 2.16) to the extent necessary to keep outstanding Loans ratable with any revised Applicable Percentages of the respective Lenders effective as of such date, and the Administrative Agent shall administer any necessary reallocation of the applicable Credit Exposures (without regard to any minimum borrowing, pro rata borrowing and/or pro rata payment requirements contained elsewhere in this Agreement).

(g) Conflicting Provisions; Amendments. This Section shall supersede any provisions in Section 2.18 or Section 9.02 to the contrary and the Administrative Agent may effect such amendments to this Agreement as are reasonably necessary to provide for any extensions pursuant to this Section 2.27 with the consent of the Company but without the consent of any other Lenders.

ARTICLE III

Representations and Warranties

Each Loan Party represents and warrants to the Lenders that:

Section 3.01. Organization; Powers; Subsidiaries. Each of such Loan Party and its Material Subsidiaries is duly organized or incorporated, validly existing and in good standing (to the extent such concept is applicable in the relevant jurisdiction) under the laws of the jurisdiction of its organization, has all requisite power and authority to carry on its business as now conducted and, except where the failure to do so, individually or in the aggregate, would not reasonably be expected to result in a Material Adverse Effect, is qualified to do business in, and is in good standing (to the extent such concept is applicable) in, every jurisdiction where such qualification is required. Schedule 3.01 hereto (as supplemented from time to time) identifies each Subsidiary, noting whether such Subsidiary is a Material Subsidiary, the jurisdiction of its incorporation or organization, as the case may be, the percentage of issued and outstanding shares of each class of its capital stock or other equity interests owned by such Loan Party and the other Subsidiaries and, if such percentage is not 100% (excluding directors' qualifying shares as required by law), a description of each class issued and outstanding.

Section 3.02. Authorization; Enforceability. The Transactions are within each Loan Party's organizational powers and have been duly authorized by all necessary organizational actions and, if required, actions by equity holders. Each Loan Document has been duly executed and delivered by each Loan Party which is a party thereto and constitutes a legal, valid and binding obligation of such Loan Party, enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, liquidation, reconstruction, moratorium or other laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law and except to the extent that availability of the remedy of specific performance or injunctive relief is subject to the discretion of the court before which any proceeding therefor may be brought.

Section 3.03. Governmental Approvals; No Conflicts. The Transactions (a) do not require any consent or approval of, registration or filing with, or any other action by, any Governmental Authority, except such as have been obtained or made and are in full force and effect, (b) will not violate any applicable law or regulation or the charter, by-laws or other organizational documents of such Loan Party or any of its Subsidiaries or any order of any Governmental Authority, (c) will not violate or result in a default under any indenture or any material agreement or other material instrument binding upon such Loan Party or any of its Subsidiaries or its assets, or give rise to a right thereunder to require any payment to be made by such Loan Party or any of its Subsidiaries, and (d) will not result in the creation or imposition of any Lien on any asset of such Loan Party or any of its Subsidiaries.

Section 3.04. Financial Condition; No Material Adverse Change. (a) MK Holdings has heretofore furnished to the Lenders its consolidated balance sheet and statements of operations and comprehensive income, stockholders equity and cash flows (i) as of and for the fiscal year ended March 28, 2015, reported on by PricewaterhouseCoopers LLP, independent public accountants, and (ii) as of and for the fiscal quarters and the portion of the fiscal year ended June 27, 2015, certified by its chief financial officer. Such financial statements present fairly, in all material respects, the financial position and results of operations and cash flows of the Company and its consolidated Subsidiaries as of such dates and for such periods in accordance with GAAP, subject to year-end audit adjustments and the absence of footnotes in the case of the statements referred to in clause (ii) above.

(b) Since March 28, 2015, there has been no material adverse change in the business, operations, property or financial condition of MK Holdings and its Subsidiaries, taken as a whole.

Section 3.05. Properties. (a) Each Loan Party and its Subsidiaries has good title to, or valid leasehold interests in, all its real and personal property material to the operation of its business, except for minor defects in title that do not interfere with its ability to conduct its business as currently conducted or to utilize such properties for their intended purposes or such other defects as, individually or in the aggregate, would not reasonably be expected to result in a Material Adverse Effect.

(b) Each Loan Party and its Subsidiaries owns, or is licensed to use, all trademarks, tradenames, copyrights, patents and other intellectual property material to its business, and the use thereof by such Loan Party and its Subsidiaries does not infringe upon the rights of any other Person, except for any such infringements that, individually or in the aggregate, would not reasonably be expected to result in a Material Adverse Effect.

Section 3.06. Litigation. Except as set forth on Schedule 3.06, there are no actions, suits, proceedings or investigations by or before any arbitrator or Governmental Authority pending against or, to the knowledge of any Loan Party, threatened against or affecting MK Holdings or any of its Subsidiaries (i) which would reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect or (ii) that involve this Agreement or the Transactions.

Section 3.07. Investment Company Status. Neither any Loan Party nor any of its Subsidiaries is an “investment company” as defined in, or subject to regulation under, the Investment Company Act of 1940.

Section 3.08. Taxes. Each Loan Party and its Subsidiaries has timely filed or caused to be filed all Tax returns and reports required to have been filed and has paid or caused to be paid all Taxes required to have been paid by it, except (a) Taxes that are being contested in good faith by appropriate proceedings and for which such Loan Party or such Subsidiary, as applicable, has set aside on its books adequate reserves to the extent required by GAAP or (b) to the extent that the failure to do so would not reasonably be expected to result in a Material Adverse Effect.

Section 3.09. ERISA. (i) Except as would not reasonably be expected to result in a Material Adverse Effect, each Plan is in compliance with the applicable provisions of ERISA and the provisions of the Code relating to Plans and the regulations and published interpretations thereunder, and each Foreign Plan is in compliance with applicable non-United States law and regulations thereunder, and (ii) no ERISA Event has occurred or is reasonably expected to occur that, when taken together with all other such ERISA Events for which liability is reasonably expected to occur, would reasonably be expected to result in a Material Adverse Effect.

Section 3.10. Disclosure. All of the written reports, financial statements and certificates furnished by or on behalf of any Loan Party to the Administrative Agent or any Lender in connection with the negotiation of this Agreement or hereafter delivered hereunder or reports filed pursuant to the Securities Exchange Act of 1934, as amended (other than projections, budgets, other estimates and information of a general economic or industry specific nature) (in each case, as modified or supplemented by other information so furnished prior to the date on which this representation and warranty is made or deemed made), as of the date of such reports, financial statements or certificates, and when taken as a whole, do not contain any material misstatement of fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not materially misleading; provided that, with respect to projected financial information, the Loan Parties represent only that such information was prepared in good faith based upon assumptions believed to be reasonable at the time prepared.

Section 3.11. Federal Reserve Regulations. No part of the proceeds of any Loan have been used or will be used, whether directly or indirectly, for any purpose that entails a violation of any of the Regulations of the Board, including Regulations T, U and X.

Section 3.12. No Default. No Default or Event of Default has occurred and is continuing.

Section 3.13. Anti-Corruption Laws and Sanctions. MK Holdings has implemented and maintains in effect policies and procedures designed to ensure compliance by MK Holdings, its Subsidiaries and their respective directors, officers, employees and agents with Anti-Corruption Laws and applicable Sanctions, and MK Holdings, its Subsidiaries and their respective officers and employees and to the knowledge of MK Holdings its directors and agents, are in compliance with Anti-Corruption Laws and applicable Sanctions in all material respects and, in the case of MK Holdings and any Foreign Subsidiary Borrower, is not knowingly engaged in any activity that could reasonably be expected to result in such Borrower being designated as a Sanctioned Person. None of (a) MK Holdings, any Subsidiary or to the knowledge of MK Holdings or such Subsidiary any of their respective directors, officers or employees, or (b) to the knowledge of MK Holdings, any agent of MK Holdings or any Subsidiary that will act in any capacity in connection with or benefit from the credit facility established hereby, is a Sanctioned Person. No Borrowing or Letter of Credit, use of proceeds or other Transactions will violate any Anti-Corruption Law or applicable Sanctions.

Section 3.14. Compliance with the Swiss Twenty Non-Bank Rule.

(a) Each Swiss Borrower is compliant with the Swiss Twenty Non-Bank Rule; provided however that no Swiss Borrower shall be in breach of this Section 3.14 if such number of creditors (which are not Swiss Qualifying Banks) is exceeded solely by reason of (a) a breach by one or more Lenders of a confirmation contained in Section 2.17(j), (b) a failure by one or more Lenders to comply with their obligations and transfer restrictions in Section 9.04, or (c) transfers to, or other transactions with, Persons not qualifying as Swiss Qualifying Banks after the occurrence of an Event of Default.

(b) For the purposes of paragraph (a) above, each Swiss Borrower shall assume that the aggregate number of Lenders under this Agreement which are not Swiss Qualifying Banks is 10 (ten).

ARTICLE IV

Conditions

Section 4.01. Effective Date. The obligations of the Lenders to make Loans and of the Issuing Banks to issue Letters of Credit hereunder shall not become effective until the date on which each of the following conditions is satisfied (or waived in accordance with Section 9.02):

(a) The Administrative Agent (or its counsel) shall have received (i) from each party hereto either (A) a counterpart of this Agreement signed on behalf of such party or (B) written evidence reasonably satisfactory to the Administrative Agent (which may include telecopy or electronic transmission of a signed signature page of this Agreement) that such party has signed a counterpart of this Agreement and (ii) duly executed copies of the other Loan Documents and such other legal opinions, certificates, documents, instruments and agreements as the Administrative Agent shall reasonably request in connection with the Transactions, all in form and substance reasonably satisfactory to the Administrative Agent and its counsel and as further described in the list of closing documents attached as Exhibit E.

(b) The Administrative Agent shall have received favorable written opinions (addressed to the Administrative Agent and the Lenders and dated the Effective Date) of (i) Paul, Weiss, Rifkind, Wharton & Garrison LLP, (ii) Harneys, special British Virgin Islands counsel to the Loan Parties, (iii) Baker & McKenzie LLP, special United Kingdom, Dutch, Luxembourg and Swiss counsel to

the Loan Parties, and (iv) Stewart McKelvey, special Nova Scotia counsel to the Loan Parties, each in form and substance reasonably satisfactory to the Administrative Agent and its counsel and covering such matters relating to the Loan Parties, the Loan Documents or the Transactions as the Administrative Agent shall reasonably request. The Loan Parties hereby request such counsel to deliver such opinions.

(c) The Administrative Agent shall have received such documents and certificates as the Administrative Agent or its counsel may reasonably request relating to the organization, existence and good standing of the Loan Parties, the authorization of the Transactions and any other legal matters relating to such Loan Parties, the Loan Documents or the Transactions, all in form and substance reasonably satisfactory to the Administrative Agent and its counsel and as further described in the list of closing documents attached as Exhibit E.

(d) The Administrative Agent shall have received a certificate, dated the Effective Date and signed by the President, a Vice President or a Financial Officer of MK Holdings, confirming compliance with the conditions set forth in paragraphs (a) and (b) of Section 4.02.

(e) The Lenders shall have received (i) the financial statements described in the first sentence of Section 3.04 and (ii) reasonably satisfactory financial statement projections through and including MK Holdings' 2018 fiscal year, together with such additional information as the Administrative Agent shall reasonably request (including, without limitation, a detailed description of the assumptions used in preparing such projections).

(f) The Administrative Agent shall have received all fees payable on or prior to the Effective Date and, to the extent invoiced at least one Business Day prior to the Effective Date, all other amounts due and payable pursuant to the Loan Documents on or prior to the Effective Date, including, to the extent invoiced, reimbursement or payment of all reasonable out-of-pocket expenses required to be reimbursed or paid by the Loan Parties hereunder or under any Loan Document.

The Administrative Agent shall notify the Company and the Lenders of the Effective Date, and such notice shall be conclusive and binding.

Section 4.02. Each Credit Event. The obligation of each Lender to make a Loan on the occasion of any Borrowing, and of each Issuing Bank to issue, amend, renew or extend any Letter of Credit, is subject to the satisfaction of the following conditions:

(a) The representations and warranties of the Borrowers set forth in this Agreement shall be true and correct in all material respects (or in all respects if any such representation or warranty is qualified by "material" or "Material Adverse Effect"), on and as of the date of such Borrowing or the date of issuance, amendment, renewal or extension of such Letter of Credit, as applicable; provided that any such representation or warranty that by its express terms is made as of a specific date shall have been true and correct in all material respects (or in all respects if such representation or warranty is qualified by "material" or "Material Adverse Effect") as of such specific date.

(b) At the time of and immediately after giving effect to such Borrowing or the issuance, amendment, renewal or extension of such Letter of Credit, as applicable, no Default or Event of Default shall have occurred and be continuing.

Each Borrowing and each issuance, amendment, renewal or extension of a Letter of Credit shall be deemed to constitute a representation and warranty by the Borrowers on the date thereof as to the matters specified in paragraphs (a) and (b) of this Section.

Section 4.03. Designation of a Foreign Subsidiary Borrower. The designation of an Eligible Foreign Subsidiary as a Foreign Subsidiary Borrower pursuant to Section 2.23 is subject to the condition precedent that the Company or such proposed Foreign Subsidiary Borrower shall have furnished or caused to be furnished to the Administrative Agent:

(a) Copies, certified by the Secretary or Assistant Secretary of such Subsidiary (or if such Subsidiary has not appointed a Secretary or Assistant Secretary, any officer, director or manager of such Subsidiary that has the authority to represent such Subsidiary), of its director or manager resolutions (and resolutions of other bodies, if any are deemed necessary by counsel for the Administrative Agent) approving the Borrowing Subsidiary Agreement and any other Loan Documents to which such Subsidiary is becoming a party and such documents and certificates as the Administrative Agent or its counsel may reasonably request relating to the organization, existence and good standing of such Subsidiary;

(b) An incumbency certificate, executed by the Secretary or Assistant Secretary of such Subsidiary (or if such Subsidiary has not appointed a Secretary or Assistant Secretary, any officer, director or manager of such Subsidiary that has the authority to represent such Subsidiary), which shall identify by name and title and bear the signature of the officers or authorized signatories of such Subsidiary authorized to request Borrowings hereunder and sign the Borrowing Subsidiary Agreement and the other Loan Documents to which such Subsidiary is becoming a party, upon which certificate the Administrative Agent and the Lenders shall be entitled to rely until informed of any change in writing by the Company or such Subsidiary;

(c) Opinions of counsel to such Subsidiary, in form and substance reasonably satisfactory to the Administrative Agent and its counsel, with respect to the laws of its jurisdiction of organization and such other matters as are reasonably requested by counsel to the Administrative Agent and addressed to the Administrative Agent and the Lenders;

(d) All documentation and other information reasonably requested by the Lenders and required by Governmental Authorities under applicable “know your customer” and anti-money laundering rules and regulations and the Patriot Act; and

(e) Any promissory notes requested by any Lender, and any other instruments and documents reasonably requested by the Administrative Agent.

ARTICLE V

Affirmative Covenants

Until the Commitments have expired or been terminated and the principal of and interest on each Loan and all fees payable hereunder shall have been paid in full and all Letters of Credit shall have expired or terminated, in each case without any pending draw, or cash collateralized in accordance with Section 2.06(j), and all LC Disbursements shall have been reimbursed, each Loan Party covenants and agrees with the Lenders that:

Section 5.01. Financial Statements and Other Information. MK Holdings will furnish to the Administrative Agent and each Lender through the Administrative Agent:

(a) within ninety (90) days after the end of each fiscal year of MK Holdings, its audited consolidated balance sheet and related statements of operations and comprehensive income, stockholders' equity and cash flows as of the end of and for such year, setting forth in each case in comparative form the figures for the previous fiscal year, all reported on by an independent public accountants of recognized national standing (without a "going concern" or like qualification or exception and without any qualification or exception as to the scope of such audit) to the effect that such consolidated financial statements present fairly in all material respects the financial condition and results of operations of MK Holdings and its consolidated Subsidiaries on a consolidated basis in accordance with GAAP consistently applied;

(b) within sixty (60) days after the end of each of the first three fiscal quarters of each fiscal year of MK Holdings, its consolidated balance sheet and related statements of operations and comprehensive income, stockholders' equity and cash flows as of the end of and for such fiscal quarter (other than with respect to statements of cash flows) and the then elapsed portion of the fiscal year, setting forth in each case in comparative form the figures for the corresponding period or periods of (or, in the case of the balance sheet and statement of cash flows, as of the end of) the previous fiscal year, all certified by one of its Financial Officers as presenting fairly in all material respects the financial condition and results of operations of MK Holdings and its consolidated Subsidiaries on a consolidated basis in accordance with GAAP consistently applied, subject to normal year-end audit adjustments and the absence of footnotes;

(c) concurrently with any delivery of financial statements under clause (a) or (b) above, a certificate of a Financial Officer of MK Holdings (i) stating that he or she has obtained no knowledge that a Default has occurred (except as set forth in such certificate) and, if a Default has occurred, specifying the details thereof and any action taken or proposed to be taken with respect thereto, (ii) identifying all Material Subsidiaries, (iii) setting forth reasonably detailed calculations demonstrating compliance with Section 6.08 and (iv) stating whether any change in GAAP or in the application thereof has occurred since the date of the audited financial statements referred to in Section 3.04 and, if any such change has occurred, specifying the effect of such change on the financial statements accompanying such certificate;

(d) promptly after the same become publicly available, copies of all periodic and other reports, proxy statements and other materials filed by MK Holdings or any Subsidiary with the SEC, or any Governmental Authority succeeding to any or all of the functions of said Commission, or with any national securities exchange, or distributed by MK Holdings to its shareholders generally, as the case may be; and

(e) promptly following any request therefor, such other information regarding the operations, business affairs and financial condition of MK Holdings or any Subsidiary, or compliance with the terms of this Agreement, as the Administrative Agent may reasonably request.

Documents required to be delivered pursuant to clauses (a) to (d) of this Section 5.01 may be delivered electronically and, other than in the case of documents delivered pursuant to clause (c), shall be deemed to have been delivered on the date on which such documents are filed for public availability on the SEC's Electronic Data Gathering and Retrieval System.

Section 5.02. Notices of Material Events. MK Holdings will furnish to the Administrative Agent and each Lender prompt written notice of the following:

(a) the occurrence of any Default;

- (b) the filing or commencement of any action, suit or proceeding by or before any arbitrator or Governmental Authority against or affecting any Loan Party or any Subsidiary thereof that would reasonably be expected to result in a Material Adverse Effect;
- (c) the occurrence of any ERISA Event that, alone or together with any other ERISA Events that have occurred, would reasonably be expected to result in a Material Adverse Effect; and
- (d) any other development that results in, or would reasonably be expected to result in, a Material Adverse Effect.

Each notice delivered under this Section shall be accompanied by a statement of a Financial Officer or other executive officer of MK Holdings setting forth the details of the event or development requiring such notice and any action taken or proposed to be taken with respect thereto.

Section 5.03. Existence; Conduct of Business. Each Loan Party will, and will cause each of its Subsidiaries to, do or cause to be done all things reasonably necessary to preserve, renew and keep in full force and effect its legal existence and the rights, qualifications, licenses, permits, privileges, franchises, governmental authorizations and intellectual property rights material to the conduct of its business, and maintain all requisite authority to conduct its business in each jurisdiction in which its business is conducted, except, in each case (other than in the case of the foregoing requirements insofar as they relate to the legal existence of the Borrowers and the Guarantors), to the extent that failure to do so would not reasonably be expected to result in a Material Adverse Effect; provided that the foregoing shall not prohibit any merger, amalgamation, consolidation, liquidation or dissolution permitted under Section 6.03.

Section 5.04. Payment of Obligations. Each Loan Party will, and will cause each of its Subsidiaries to, pay its obligations, including Tax liabilities, that if not paid would reasonably be expected to result in a Material Adverse Effect before the same shall become delinquent or in default, except where (a) the validity or amount thereof is being contested in good faith by appropriate proceedings, (b) MK Holdings or such Subsidiary has set aside on its books adequate reserves with respect thereto in accordance with GAAP and (c) the failure to make payment pending such contest would not reasonably be expected to result in a Material Adverse Effect.

Section 5.05. Maintenance of Properties; Insurance. Except where the failure to do so would not reasonably be expected to result in a Material Adverse Effect, each Loan Party will, and will cause each of its Subsidiaries to, (a) keep and maintain all property material to the conduct of its business in good working order and condition, ordinary wear and tear excepted and except for surplus and obsolete properties, and (b) maintain, with financially sound and reputable insurance companies, insurance on such of its property and in such amounts and against such risks as are customarily maintained by companies engaged in the same or similar businesses operating in the same or similar locations.

Section 5.06. Books and Records; Inspection Rights. Each Loan Party will, and will cause each of its Subsidiaries to, keep proper books of record and account in conformity in all material respects with all applicable laws, rules and regulations of any Governmental Authority are made of all dealings and transactions in relation to its business and activities. Each Loan Party will, and will cause each of its Subsidiaries to, on an annual basis at the request of the Administrative Agent (or at any time after the occurrence and during the continuance of an Event of Default), permit any representatives designated by the Administrative Agent (prior to the occurrence or continuation of an Event of Default, at the Administrative Agent's expense, as applicable, unless otherwise agreed to by the Administrative Agent and the Company, and following the occurrence or continuation of an Event of Default, at the Borrowers' expense), upon reasonable prior notice, to visit and inspect its properties, to examine and make extracts from its books

and records (other than materials protected by the attorney-client privilege and materials which such Loan Party or such Subsidiary, as applicable, may not disclose without violation of a confidentiality obligation binding upon it), and to discuss its affairs, finances and condition with its appropriate officers and independent accountants, so long as afforded an opportunity to be present, all during reasonable business hours. It is understood that such visits and inspections shall be coordinated through the Administrative Agent. If an Event of Default has occurred and is continuing, representatives of each Lender (at the Borrowers' expense) will be permitted to accompany representatives of the Administrative Agent during each inspection conducted during the existence of such Event of Default. The Company acknowledges that the Administrative Agent, after exercising its rights of inspection, may prepare and distribute to the Lenders certain reports pertaining to the Company and its Subsidiaries' assets for internal use by the Administrative Agent and the Lenders.

Section 5.07. Compliance with Laws and Material Contractual Obligations. Each Loan Party will, and will cause each of its Subsidiaries to, (i) comply with all laws, rules, regulations and orders of any Governmental Authority, applicable to it or its property (including without limitation Environmental Laws), except where the failure to do so, individually or in the aggregate, would not reasonably be expected to result in a Material Adverse Effect and (ii) perform in all material respects its obligations under material agreements to which it is a party, in each case except where the failure to do so, individually or in the aggregate, would not reasonably be expected to result in a Material Adverse Effect. MK Holdings will maintain in effect and enforce policies and procedures designed to ensure compliance by MK Holdings, its Subsidiaries and their respective directors, officers, employees and agents with Anti-Corruption Laws and applicable Sanctions.

Section 5.08. Use of Proceeds and Letters of Credit. The proceeds of the Loans will be used only to finance the working capital needs, capital expenditures, Permitted Acquisitions, Investments permitted under Section 6.04, Restricted Payments permitted under Section 6.06 and other general corporate purposes of MK Holdings and its Subsidiaries. No part of the proceeds of any Loan will be used, whether directly or indirectly, for the purpose of purchasing or carrying, or to extend credit to others for the purpose of purchasing or carrying any "margin stock" as defined in Regulation T, U or X of the Board or for any other purpose that entails a violation of any such regulations. The Commercial Letters of Credit shall be used solely to finance purchases of goods by MK Holdings and its Subsidiaries, in the ordinary course of their business, and the Standby Letters of Credit shall be used solely for the purposes described in the definition of such term in Section 1.01. No Borrower will request any Borrowing or Letter of Credit, and no Borrower shall use, and MK Holdings shall ensure that its Subsidiaries and its or their respective directors, officers, employees and agents shall not use or otherwise make available, directly or indirectly, the proceeds of any Borrowing or Letter of Credit (i) in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any Person in violation of any Anti-Corruption Laws, (ii) for the purpose of funding, financing or facilitating any activities, business or transaction of or with any Sanctioned Person, or in any Sanctioned Country, to the extent such activities, business or transaction would be prohibited by Sanctions or (iii) in any manner that would result in the violation of any Sanctions applicable to any party hereto.

Section 5.09. Guarantors.

(a) Except as set forth in Section 5.09(b), (i) if an Eligible Foreign Subsidiary is designated as a Foreign Subsidiary Borrower pursuant to Section 2.23, contemporaneously with the deliveries required to be furnished to the Administrative Agent pursuant to Section 4.03, and (ii) if any Person becomes a Subsidiary of MK Holdings or any Subsidiary qualifies independently as, or is designated by the Company or the Administrative Agent as, a Guarantor pursuant to the definition of "Material Subsidiary", as promptly as possible but in any event within thirty (30) days (or such

later date as may be agreed upon by the Administrative Agent) thereof, (A) solely in the case of clause (ii) above, the Company shall provide the Administrative Agent with written notice thereof setting forth information in reasonable detail as to whether such Subsidiary is a Material Subsidiary and (B) in each case, the Company shall cause each such Foreign Subsidiary Borrower or each such Subsidiary which qualifies as a Material Subsidiary to deliver to the Administrative Agent (1) (x) a joinder to the Guaranty described in clause (a) of the definition of “Guaranty” (in the form contemplated thereby) pursuant to which such Foreign Subsidiary Borrower or Subsidiary, as applicable, agrees to be bound by the terms and provisions thereof or (y) if such Subsidiary is a Foreign Subsidiary and local counsel advises the Administrative Agent that such Guaranty is not effective under the laws of such Foreign Subsidiary’s jurisdiction of organization to provide a guarantee of the Obligations by such Foreign Subsidiary with substantially the substance and scope as contemplated by the terms of such Guaranty, a Guaranty described in clause (b) of the definition of “Guaranty” that is governed by the laws of such Foreign Subsidiary’s jurisdiction of organization, in form and substance reasonably satisfactory to the Administrative Agent, and (2) to the extent not appropriately included in the documentation described in the preceding clause (1) or in documentation required by Sections 2.23 and 4.03 (in the case of a Material Subsidiary that is a Foreign Subsidiary Borrower), a joinder to this Agreement pursuant to which such Subsidiary agrees to be bound by the terms and provisions hereof, in any such case, to be accompanied by appropriate corporate resolutions, other corporate documentation and legal opinions as reasonably requested by the Administrative Agent and in form and substance reasonably satisfactory to the Administrative Agent and its counsel.

(b) (i) No Subsidiary that is a CFC or a CFC Holding Company shall be required to guarantee (or if already a Guarantor, shall be required to continue to guarantee) (1) any Obligations of any Domestic Subsidiary or (2) any Obligations of another Loan Party to the extent and in respect of such Loan Party’s guarantee of the Obligations of any Domestic Subsidiary and (ii) no Subsidiary shall be required to become (or if already a Guarantor, shall be required to continue as) a Guarantor to the extent (x) such Subsidiary is prohibited by applicable law, rule or regulation from guaranteeing the Obligations or which would require governmental or regulatory consent, approval, license or authorization to provide such guaranty (unless such consent, approval, license or authorization has been received), (y) such Subsidiary is a non-wholly owned Subsidiary and is prohibited by its organizational documents or applicable equity holder agreement from guaranteeing the Obligations or which would require the consent or approval of an equity holder (other than MK Holdings or any of its wholly owned Subsidiaries) to provide such guaranty (unless such consent or approval has been received) or (z) the Administrative Agent determines that the cost or other consequence of such Subsidiary providing such a guarantee is excessive in relation to the value afforded thereby.

Section 5.10. Centre of Main Interests and Establishment. No Loan Party incorporated in a member state of the European Union shall, without the prior written consent of the Administrative Agent, take any action that shall cause its centre of main interests (as that term is used in Article 3(1) of the Regulation) to be situated outside of its jurisdiction of incorporation.

Section 5.11. Compliance with the Swiss Twenty Non-Bank Rule.

(a) Each Swiss Borrower shall be in compliance with the Swiss Twenty Non-Bank Rule; provided, however, that no Swiss Borrower shall be in breach of this Section 5.11 if such number of creditors (which are not Swiss Qualifying Banks) is exceeded solely by reason of (a) a breach by one or more Lenders of a confirmation contained in Section 2.17(j), (b) a failure by one or more Lenders to comply with their obligations and transfer restrictions in Section 9.04, or (c)

transfers to, or other transactions with, Persons not qualifying as Swiss Qualifying Banks after the occurrence of an Event of Default.

(b) For the purposes of paragraph (a) above, each Swiss Borrower shall assume that the aggregate number of Lenders under this Agreement which are not Swiss Qualifying Banks is 10 (ten).

ARTICLE VI

Negative Covenants

Until the Commitments have expired or terminated and the principal of and interest on each Loan and all fees payable hereunder have been paid in full and all Letters of Credit have expired or terminated, in each case, without any pending draw, or cash collateralized in accordance with Section 2.06(j), and all LC Disbursements shall have been reimbursed, each Loan Party covenants and agrees with the Lenders that:

Section 6.01. Indebtedness. The Loan Parties will not, and will not permit any Subsidiary to, create, incur, assume or permit to exist any Indebtedness, except:

(a) the Obligations;

(b) Indebtedness existing on the Effective Date and set forth in Schedule 6.01 and extensions, refinancings, renewals and replacements of any such Indebtedness that does not increase the outstanding principal amount thereof (plus unpaid accrued interest and premium (including tender premiums) thereon and underwriting discounts, defeasance costs, fees, commissions and expenses) or shorten the final maturity or weighted average life to maturity thereof (it being understood that if the existing Indebtedness did not constitute Priority Indebtedness, then the extended, refinanced, renewed or replacement Indebtedness shall only constitute Priority Indebtedness if separately permitted to be incurred under clause (g) below);

(c) Indebtedness of MK Holdings to any Subsidiary and of any Subsidiary to MK Holdings or any other Subsidiary;

(d) Guarantees by (i) MK Holdings of Indebtedness of any Subsidiary, (ii) any Subsidiary of Indebtedness of MK Holdings or any other Subsidiary and (iii) MK Holdings or any Subsidiary of Indebtedness of any joint venture; provided that the aggregate amount of such Guarantees incurred pursuant to this clause (iii) shall not exceed \$100,000,000 in the aggregate at any time outstanding;

(e) Indebtedness of MK Holdings or any Subsidiary incurred to finance or refinance the acquisition, ownership, development, construction, repair, replacement, improvement or leasing of any fixed or capital assets, including Capital Lease Obligations, any Indebtedness assumed in connection with the acquisition of any such assets or secured by a Lien on any such assets prior to the acquisition thereof, and extensions, renewals and replacements of any such Indebtedness that do not increase the outstanding principal amount thereof; provided that such Indebtedness is incurred prior to or within 180 days after such ownership, development, leasing or acquisition or the completion of such construction, repair, replacement or improvement;

(f) Indebtedness acquired or assumed in Permitted Acquisitions and extensions, refinancings, renewals and replacements of any such Indebtedness that do not increase the outstanding principal amount thereof (plus unpaid accrued interest and premium (including tender

premiums) thereon and underwriting discounts, defeasance costs, fees, commissions and expenses) or shorten the final maturity or weighted average life to maturity thereof (it being understood that if the existing Indebtedness did not constitute Priority Indebtedness, then the extended, renewed or replacement Indebtedness shall only constitute Priority Indebtedness if separately permitted under clause (g) below);

(g) Priority Indebtedness (excluding any Indebtedness permitted by Section 6.01(e) or (f)) in an aggregate principal amount that at the time of, and after giving effect to, the incurrence thereof, together with the aggregate principal amount of other Priority Indebtedness incurred pursuant to this clause (g) and then outstanding, does not exceed 10% of MK Holdings' Consolidated Net Worth (determined as of the last day of the most recently completed fiscal quarter for which financial statements are available);

(h) endorsements for collection, deposit or negotiation and warranties of products or services, in each case incurred in the ordinary course of business;

(i) Indebtedness in respect of letters of credit in the ordinary course of business (other than Letters of Credit);

(j) Indebtedness under Swap Agreements permitted by Section 6.05;

(k) reserved;

(l) Indebtedness owed to any Person providing workers' compensation, health, disability or other employee benefits or property, casualty or liability insurance, pursuant to reimbursement or indemnification obligations to such Person, in each case incurred in the ordinary course of business;

(m) Indebtedness in respect of performance bonds, bid bonds, appeal bonds, surety bonds, performance and completion guarantees, import and export custom and duty guaranties and similar obligations, or obligations in respect of letters of credit, bank acceptances or guarantees or similar instruments related thereto, in each case provided in the ordinary course of business;

(n) (i) contingent liabilities in respect of any indemnification, adjustment of purchase price, earn-out, non-compete, consulting, deferred compensation and similar obligations of MK Holdings and its Subsidiaries incurred in connection with Permitted Acquisitions and (ii) Indebtedness incurred by MK Holdings or its Subsidiaries in a Permitted Acquisition under agreements providing for earn-outs or the adjustment of the purchase price or similar adjustments;

(o) Indebtedness owed to any Person providing property, casualty or liability insurance to MK Holdings or any of its Subsidiaries, so long as such Indebtedness shall not be in excess of the amount of the unpaid cost of, and shall be incurred only to defer the cost of, such insurance for the year in which such Indebtedness is incurred and such Indebtedness shall be outstanding only during such year;

(p) Indebtedness arising from the honoring by a bank or other financial institution of a check, draft or similar instrument drawn against insufficient funds in the ordinary course of business; provided that (i) such Indebtedness (other than credit or purchase cards) is extinguished within three

Business Days of its incurrence and (ii) such Indebtedness in respect of credit or purchase cards is extinguished within 90 days from its incurrence;

- (q) Indebtedness representing deferred compensation to employees of MK Holdings and its Subsidiaries;
- (r) Indebtedness (if any) attributed to the sale of accounts receivable pursuant to a Permitted Factoring Program;
- (s) Indebtedness incurred in connection with Investments in joint ventures permitted under Section 6.04 in an aggregate amount not to exceed \$100,000,000 at any time outstanding;
 - (t) unsecured Indebtedness of any Loan Party if at the time of, and after giving effect to, the incurrence thereof (i) no Default or Event of Default has occurred and is continuing or would occur and (ii) on a Pro Forma Basis, the Leverage Ratio is not greater than 3.50 to 1.00;
 - (u) unsecured Subordinated Indebtedness (that has been subordinated to the Obligations pursuant to terms reasonably satisfactory to the Administrative Agent) of MK Holdings or any Subsidiary in an aggregate amount not to exceed \$75,000,000 at any time outstanding; and
 - (v) additional unsecured Indebtedness of any Loan Party; provided that the aggregate amount of Indebtedness incurred in reliance on this clause (v) shall not exceed \$25,000,000 at any time outstanding.

For purposes of determining compliance with this Section 6.01, in the event that an item of Indebtedness meets the criteria of more than one of the categories of Indebtedness described in clauses (a) through (v) of this Section 6.01, the Company, in its sole discretion, shall classify or reclassify, or later divide, classify or reclassify, such item of Indebtedness (or any portion thereof) and shall only be required to include the amount and type of such Indebtedness in one or more of the above clauses.

For purposes of this subsection 6.01, any Person becoming a Subsidiary of MK Holdings after the date of this Agreement shall be deemed to have incurred all of its then outstanding Indebtedness at the time it becomes a Subsidiary, and any Indebtedness assumed by MK Holdings or any of its Subsidiaries shall be deemed to have been incurred on the date of assumption.

Section 6.02. Liens. MK Holdings will not, and will not permit any Subsidiary to, create, incur, assume or permit to exist any Lien on any property or asset now owned or hereafter acquired by it, or assign or sell any income or revenues (including accounts receivable) or rights in respect of any thereof, except:

- (a) Permitted Encumbrances;
- (b) Liens existing on the Effective Date and set forth on Schedule 6.02;
- (c) any Lien on any property or asset of MK Holdings or any Subsidiary securing Indebtedness permitted by Section 6.01(e) incurred to own, develop, lease, acquire, construct, repair, replace or improve such property or asset;
- (d) Liens solely constituting the right of any other Person to a share of any licensing royalties (pursuant to a licensing agreement or other related agreement entered into by MK Holdings

or any of its Subsidiaries with such Person in the ordinary course of MK Holdings' or such Subsidiary's business) otherwise payable to MK Holdings or any of its Subsidiaries, provided that such right shall have been conveyed to such Person for consideration received by MK Holdings or such Subsidiary on an arm's-length basis;

(e) Liens arising from precautionary Uniform Commercial Code financing statement filings with respect to operating leases entered into by MK Holdings or any of its Subsidiaries in the ordinary course of business;

(f) Liens securing Indebtedness described in clause (a) of the definition of Priority Indebtedness;

(g) (i) Liens securing Indebtedness permitted under Section 6.01(c) and (ii) Liens securing Indebtedness permitted under Section 6.01(f), provided that, for purposes of this clause (ii), (x) such Lien is not created in contemplation of or in connection with the applicable Permitted Acquisition, (y) such Lien shall not apply to any property or assets of the Company or any Subsidiary other than the Subsidiary, property or assets being acquired pursuant to such Permitted Acquisition and (z) such Lien shall secure only those obligations which it secures on the date of such Permitted Acquisition;

(h) Liens of depository banks, securities intermediaries and commodity intermediaries maintaining deposit accounts, securities accounts or commodity accounts of MK Holdings or any Subsidiary arising as a matter of law or in the ordinary course of business encumbering such accounts, and deposits, funds or assets maintained in such accounts (including rights of setoff);

(i) Liens attaching solely to cash earnest money or similar deposits in connection with any letter of intent or purchase agreement in connection with a Permitted Acquisition or other Investment permitted hereunder;

(j) Liens arising from precautionary Uniform Commercial Code financing statement filings with respect to consignments, provided that such Liens extend solely to the assets subject to such consignments;

(k) Liens securing obligations under Swap Agreements permitted under Section 6.05 (regardless of whether such obligations are subject to hedge accounting);

(l) Liens, if any, in respect of leases that have been, or should be, in accordance with GAAP as in effect on the date hereof, classified as Capital Lease Obligations;

(m) Liens pursuant to supply or consignment contracts or otherwise for the receipt of goods or services, encumbering only the goods covered thereby, where the contracts are not overdue by more than 90 days or are being contested in good faith by appropriate proceedings and for which reasonable reserves are being maintained;

(n) Liens on accounts receivable subject to a Permitted Factoring Program, as well as supporting obligations and proceeds in respect thereof, and other ancillary property and rights related to such accounts receivable;

(o) Liens in favor of customs and revenue authorities arising as a matter of law to secure payment of customs duties in connection with the importation of goods so long as such Liens attach only to the imported goods; and

(p) extensions, renewals, refinancings and replacements of the Liens described above, so long as (i) the Indebtedness or other obligations secured by any such Lien at the time of any such extension, renewal, refinancing or replacement is not increased to any amount greater than the sum of (A) the outstanding principal amount (or accreted value, if applicable) of such Indebtedness or obligations and (B) an amount necessary to pay any unpaid accrued interest and premium (including tender premiums) thereon and underwriting discounts, defeasance costs, fees, commissions and expenses related to such extension, renewal, refinancing or replacement and (ii) no additional property (other than accessions, improvements, and replacements in respect of such property or, if the Lien being extended, renewed, refinanced or replaced attaches to a class of asset, after-acquired assets of the same class) is subject to such Lien.

Section 6.03. Fundamental Changes and Asset Sales. (a) MK Holdings will not, and will not permit any Subsidiary to, merge into or amalgamate or consolidate with any other Person, or permit any other Person to merge into or amalgamate or consolidate with it, or liquidate or dissolve, except that, if at the time thereof and immediately after giving effect thereto no Default shall have occurred and be continuing:

(i) any Subsidiary (other than a Borrower) may merge into or consolidate or amalgamate with MK Holdings in a transaction in which MK Holdings is the surviving entity (subject to providing such documents with respect to the surviving entity as may be reasonably required by the Administrative Agent);

(ii) any Subsidiary may merge into or consolidate or amalgamate with (subject to providing such documents as may be reasonably required by the Administrative Agent) the Company in a transaction in which the Company is the surviving entity (subject to providing such documents with respect to the surviving entity as may be reasonably required by the Administrative Agent);

(iii) any Subsidiary (other than the Company) may merge into or consolidate or amalgamate with any other Subsidiary (other than the Company) in a transaction in which the surviving entity is a Subsidiary (and if the surviving entity is a Loan Party, subject to providing such documents with respect to the surviving entity as may be reasonably required by the Administrative Agent); provided that (x) in the case of a merger, consolidation or amalgamation of a Subsidiary that is not a Foreign Subsidiary Borrower into or with a Foreign Subsidiary Borrower in which the surviving entity is not the Foreign Subsidiary Borrower, the surviving Subsidiary shall be an Eligible Foreign Subsidiary and shall execute and deliver to the Administrative Agent a Borrowing Subsidiary Agreement executed by such Subsidiary and the Company and shall satisfy the other conditions precedent set forth in Section 4.03), and (y) in the case of a merger, consolidation or amalgamation of a Subsidiary that is not a Guarantor into or with a Guarantor, the surviving company shall be a Guarantor; and

(iv) any Subsidiary (other than a Borrower) may liquidate or dissolve if MK Holdings determines in good faith that such liquidation or dissolution is in the best interests of MK Holdings and its Subsidiaries and is not materially disadvantageous to the Lenders;

(v) MK Holdings or any Subsidiary may effect any Investment permitted by Section 6.04 by means of a merger, consolidation or amalgamation of or with the Person that is the subject of such Investment with MK Holdings or any of its Subsidiaries (provided that, in the case of a merger or amalgamation with any Loan Party, the Loan Party is the survivor); and

(vi) any Subsidiary (other than a Borrower) may change its legal form and any Domestic Subsidiary may be a party to a merger the sole purpose of which is to reincorporate or reorganize in another jurisdiction in the United States if, in any such case, MK Holdings reasonably determines in good faith that such action is in the best interests of MK Holdings and its Subsidiaries and is not materially disadvantageous to the Lenders (it being understood that a Subsidiary that is a Loan Party will remain a Loan Party).

(b) MK Holdings will not, and will not permit any Subsidiary to, Dispose of (in one or in a series of transactions) all or substantially all of the assets of MK Holdings and its Subsidiaries taken as a whole.

Section 6.04. Investments, Loans, Advances, Guarantees and Acquisitions. MK Holdings will not, and will not permit any of its Subsidiaries to, purchase, hold or acquire (including pursuant to any merger, amalgamation or consolidation with any Person that was not a wholly owned Subsidiary prior to such merger, amalgamation or consolidation) any capital stock, evidences of indebtedness or other securities (including any option, warrant or other right to acquire any of the foregoing) of, make or permit to exist any loans or advances to, Guarantee any obligations of, or make or permit to exist any investment or any other interest in, any other Person, or purchase or otherwise acquire (in one transaction or a series of transactions) any Person or any assets of any other Person constituting a business unit (collectively, "Investments"), except:

(a) Permitted Investments and Investments that were Permitted Investments when made;

(b) Investments by MK Holdings or a Subsidiary in the capital stock of its Subsidiaries;

(c) loans or advances made by MK Holdings to, and Guarantees by MK Holdings of obligations of, any Subsidiary, and loans or advances made by any Subsidiary to, and Guarantees by any Subsidiary of obligations of, MK Holdings or any other Subsidiary;

(d) (i) Guarantees constituting Indebtedness permitted pursuant to Section 6.01 and (ii) Guarantees of obligations not constituting Indebtedness made in the ordinary course of business, provided that the Guarantees permitted under this clause (ii) could not in the aggregate reasonably be expected to have a Material Adverse Effect;

(e) advances or loans made in the ordinary course of business to officers, directors, employees and agents of MK Holdings or any of its Subsidiaries;

(f) Investments existing on the Effective Date and described in Schedule 6.04 hereto and any renewals, amendments and replacements thereof that do not increase the amount thereof (other than in respect of capitalized interest and reasonable expenses);

(g) Investments (including debt obligations and Equity Interests) received in connection with the bankruptcy or reorganization of suppliers, customers and other third parties or in settlement of delinquent obligations of, or other disputes with, customers, suppliers and other third parties arising in the ordinary course of business or in connection with the bona fide settlement of any defaulted Indebtedness or other liability owed to MK Holdings or any Subsidiary;

(h) Permitted Acquisitions and Investments of a Person or business acquired in such Permitted Acquisition so long as such Investment was not made in contemplation of such Acquisition; provided that if, as a result of a Permitted Acquisition, (i) a new Subsidiary shall be created and such Subsidiary is a Material Subsidiary or (ii) any then existing Subsidiary shall become a Material Subsidiary, in each case such Subsidiary shall thereafter become a Guarantor in accordance with Section 5.09;

(i) Swap Agreements permitted by Section 6.05;

(j) Investments in joint ventures in an amount not to exceed \$100,000,000 in the aggregate;

(k) indemnities made and security deposits and surety bonds issued in the ordinary course of business;

(l) indemnities made in the Loan Documents;

(m) accounts, chattel paper and notes receivable arising from the sale or lease of goods or the performance of services in the ordinary course of business;

(n) promissory notes and other non-cash consideration that is permitted to be received in connection with Dispositions permitted by Section 6.03;

(o) Investments held by a Subsidiary acquired after the Effective Date or of a Person merged into a Loan Party or any Subsidiary of a Loan Party, in either case, in a transaction permitted by Section 6.03 after the Effective Date to the extent such Investments were not made in contemplation of or in connection with such merger, amalgamation or consolidation and were in existence on the date of such merger, amalgamation or consolidation;

(p) loans and advances to any direct or indirect parent of MK Holdings in lieu of, and not in excess of the amount (after giving effect to any other loans, advances or Restricted Payments in respect thereof), Restricted Payments to the extent permitted to be made to such direct or indirect parent in accordance with Section 6.07(d), (e) or (f);

(q) Investments for which no consideration is provided by any Loan Party or any Subsidiary;

(r) Investments to the extent that payment for such Investments is made solely in exchange for Equity Interests of MK Holdings; and

(s) other Investments in any Person or Persons made after the date hereof, in an aggregate outstanding amount not to exceed \$500,000,000.

Any Investment in any Person other than a Loan Party that is otherwise permitted by this Section 6.04 may be made through intermediate Investments in Subsidiaries that are not Loan Parties and such intermediate Investments shall be disregarded for purposes of determining the outstanding amount of Investments pursuant to any clause set forth above.

For purposes of compliance with this Section 6.04, the amount of any Investment shall be the amount initially invested, without adjustment for subsequent increases or decreases in the value of such Investment, less any amount paid, repaid, returned, distributed or otherwise received in cash in respect of such Investment.

Section 6.05. Swap Agreements. MK Holdings will not, and will not permit any of its Subsidiaries to, enter into any Swap Agreement, except Swap Agreements that are not for speculative purposes.

Section 6.06. Transactions with Affiliates. MK Holdings will not, and will not permit any of its Subsidiaries to, sell, lease or otherwise transfer any property or assets to, or purchase, lease or otherwise acquire any property or assets from, or otherwise engage in any other transactions with, any of its Affiliates, except (a) at prices and on financial terms and conditions (in the aggregate, taking into account all of MK Holdings' and its Subsidiaries' transactions with, and the benefits to MK Holdings and its Subsidiaries derived from MK Holdings' and its Subsidiaries' Investment in, such Affiliate) not less favorable to MK Holdings or such Subsidiary than could be obtained on an arm's-length basis from unrelated third parties, (b) transactions between or among MK Holdings and its Subsidiaries (or any Person that becomes a Subsidiary as a result of such transaction) not involving any other Affiliate, (c) any Restricted Payment permitted by Section 6.06; (d) any Investment permitted by Section 6.04; (e) fees and compensation paid (including through the issuance of Equity Interests in MK Holdings or any direct or indirect parent thereof) and benefits provided to, and customary indemnity and reimbursement provided on behalf of, officers, directors, employees, agents or consultants of MK Holdings or any of its Subsidiaries; (f) employment and severance arrangements entered into by MK Holdings or any of its Subsidiaries in the ordinary course of business and transactions pursuant to any employee or director equity plan, employee or director stock option plan or any other employee or director benefit plan; provided that any payments made under such agreements or plans are made in compliance with this Agreement; and (g) any agreement, instrument or arrangement as in effect on the Effective Date and set forth on Schedule 6.06, and any amendment, supplement or other modification thereto, so long as any such amendment, supplement or modification is not adverse to the Lenders in any material respect as compared to the terms of the applicable agreement, instrument or arrangement as in effect on the Effective Date.

Section 6.07. Restricted Payments. MK Holdings will not, and will not permit any of its Subsidiaries to, declare or make, or agree to pay or make, directly or indirectly, any Restricted Payment, except (a) MK Holdings may declare and pay dividends with respect to its Equity Interests payable solely in additional shares of its common stock, (b) Subsidiaries may declare and pay dividends ratably with respect to their Equity Interests, (c) MK Holdings may make Restricted Payments pursuant to and in accordance with stock option plans or other benefit plans for management or employees of the Company and its Subsidiaries (including, without limitation, redemptions or repurchases of Equity Interests (i) deemed to occur upon exercise of options or warrants or similar rights by the delivery of Equity Interests in satisfaction of the exercise price such options or warrants or similar rights or (ii) in consideration of withholding or similar taxes payable by any future, present or former employee, director, manager or consultant (or any spouses, former spouses, successors, executors, administrators, heirs, legatees or distributees of any of the foregoing)), (d) MK Holdings and its Subsidiaries may make any Restricted Payment so long as prior to making such Restricted Payment and after giving effect thereto (i) no Default or Event of Default has occurred and is continuing or would occur and (ii) on a Pro Forma Basis the Leverage Ratio as at the last

day of the most recently ended fiscal quarter of MK Holdings for which financial statements are available does not exceed 3.50 to 1.00, and (e) MK Holdings and its Subsidiaries may make other Restricted Payments so long as prior to making such Restricted Payment and after giving effect thereto no Event of Default has occurred and is continuing or would occur; provided that the aggregate amount of all Restricted Payments made pursuant to this clause (e) shall not exceed \$25,000,000 during any fiscal year of MK Holdings.

Section 6.08. Leverage Ratio. The Loan Parties will not permit the Leverage Ratio, determined as of the end of each fiscal quarter of MK Holdings and its consolidated Subsidiaries ending on and after September 30, 2015, to be greater than 3.50 to 1.00.

ARTICLE VII

Events of Default

If any of the following events (“Events of Default”) shall occur:

- (a) any Borrower shall fail to pay any principal of any Loan or any reimbursement obligation in respect of any LC Disbursement when and as the same shall become due and payable, whether at the due date thereof or at a date fixed for prepayment thereof or otherwise;
- (b) any Loan Party shall fail to pay any interest on any Loan or any fee or any other amount (other than an amount referred to in clause (a) of this Article) payable under this Agreement or any other Loan Document, when and as the same shall become due and payable, and such failure shall continue unremedied for a period of five (5) Business Days;
- (c) any representation or warranty made or deemed made by or on behalf of any Loan Party or any Subsidiary in or in connection with this Agreement or any other Loan Document or any amendment or modification hereof or thereof or waiver hereunder or thereunder, or in any report, certificate, financial statement or other document furnished pursuant to or in connection with this Agreement or any other Loan Document or any amendment or modification thereof or waiver thereunder, shall prove to have been incorrect when made or deemed made in any material respect (or in any respect if such representation or warranty is qualified by “material” or “Material Adverse Effect”);
- (d) any Loan Party shall fail to observe or perform any covenant, condition or agreement contained in Section 5.02, 5.03 (with respect to MK Holdings’ or any Borrower’s existence), 5.08 or 5.09 or in Article VI;
- (e) any Loan Party shall fail to observe or perform any covenant, condition or agreement contained in this Agreement (other than those specified in clause (a), (b) or (d) of this Article) or any other Loan Document, and such failure shall continue unremedied for a period of thirty (30) days after notice thereof from the Administrative Agent to the Company (which notice will be given at the request of any Lender);
- (f) MK Holdings or any Subsidiary shall fail to make any payment of principal or interest, regardless of amount, in respect of any Material Indebtedness, when and as the same shall become due and payable beyond the period of grace, if any, provided in the instrument or agreement under which such Material Indebtedness was created (after giving effect to any extensions, waivers, amendments or other modifications of such instrument or agreement that are in effect), and, prior to any termination of Commitments or the acceleration of payment of Loans pursuant to this Article

VII, such failure is not cured or waived in writing by the requisite holders of such Material Indebtedness;

(g) any event or condition occurs (after giving effect to any applicable grace periods and after giving effect to any extensions, waivers, amendments or other modifications of any applicable provision or agreement) that results in any Material Indebtedness becoming due prior to its scheduled maturity or that enables or permits the holder or holders of any Material Indebtedness or any trustee or agent on its or their behalf to cause, with the giving of an acceleration or similar notice if required, any Material Indebtedness to become due, or to require the prepayment, repurchase, redemption or defeasance thereof, prior to its scheduled maturity; provided that this clause (g) shall not apply to secured Indebtedness that becomes due as a result of the voluntary sale or transfer (including as a result of a casualty or condemnation event) of the property or assets securing such Indebtedness to the extent such Indebtedness is paid when due (after giving effect to any applicable grace period and after giving effect to any extensions, waivers, amendments or other modifications of any applicable provision or agreement);

(h) an involuntary proceeding shall be commenced or an involuntary petition shall be filed seeking (i) liquidation, reorganization, arrangement, administration or other relief in respect of MK Holdings or any Material Subsidiary (other than those described in the proviso to the definition thereof) or its debts, or of a substantial part of its assets, under any federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect or (ii) the appointment of a receiver, trustee, custodian, sequestrator, conservator, administrator, monitor, liquidator or similar official for MK Holdings or any such Material Subsidiary or for a substantial part of its assets, and, in any such case, such proceeding or petition shall continue undismissed for 60 days or an order or decree approving or ordering any of the foregoing shall be entered;

(i) (1) any Loan Party or any Material Subsidiary (other than those described in the proviso to the definition thereof) shall (i) voluntarily commence any proceeding or file any petition seeking liquidation, reorganization, arrangement, administration or other relief under any federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect, (ii) consent to the institution of, or fail to contest in a timely and appropriate manner, any proceeding or petition described in clause (h) of this Article, (iii) apply for or consent to the appointment of a receiver, trustee, custodian, sequestrator, conservator, administrator, monitor, liquidator or similar official for such Loan Party or any such Material Subsidiary or for a substantial part of its assets, (iv) file an answer admitting the material allegations of a petition filed against it in any such proceeding, (v) make a general assignment for the benefit of creditors or (vi) take any action for the purpose of effecting any of the foregoing;

(j) any Loan Party or any Material Subsidiary (other than those described in the proviso to the definition thereof) shall become unable, admit in writing its inability or fail generally to pay its debts as they become due;

(k) one or more judgments for the payment of money in an aggregate amount (not paid or covered by insurance) in excess of \$50,000,000 shall be rendered against MK Holdings, any Subsidiary or any combination thereof and (i) the same shall remain undischarged for a period of 60 consecutive days from the entry thereof during which execution shall not be effectively stayed or bonded, or (ii) any action shall be legally taken by a judgment creditor to attach or levy upon any assets of MK Holdings or any Subsidiary to enforce any such judgment;

(l) an ERISA Event shall have occurred that, in the reasonable opinion of the Required Lenders, when taken together with all other ERISA Events that have occurred, could reasonably be expected to result in a Material Adverse Effect;

(m) a Change in Control shall occur;

(n) any material provision of any Loan Document for any reason ceases to be valid, binding and enforceable in accordance with its terms (or MK Holdings or any Subsidiary shall challenge the enforceability of any Loan Document or shall assert in writing, or engage in any action or inaction based on any such assertion, that any provision of any of the Loan Documents has ceased to be or otherwise is not valid, binding and enforceable in accordance with its terms);

(o) a BVI Insolvency Event shall occur;

(p) a Swiss Insolvency Event shall occur; or

(q) a UK Insolvency Event shall occur in respect of any UK Relevant Entity.

then, and in every such event (other than an event with respect to any Borrower described in clause (h) or (i) of this Article), and at any time thereafter during the continuance of such event, the Administrative Agent may, and at the request of the Required Lenders shall, by notice to the Company, take either or both of the following actions, at the same or different times: (i) terminate the Commitments (including the Letter of Credit Commitments), and thereupon the Commitments shall terminate immediately, (ii) declare the Loans then outstanding to be due and payable in whole (or in part, in which case any principal not so declared to be due and payable may thereafter be declared to be due and payable), and thereupon the principal of the Loans so declared to be due and payable, together with accrued interest thereon and all fees and other Obligations of the Borrowers accrued hereunder and under the other Loan Documents, shall become due and payable immediately, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrowers and (iii) require cash collateral for the LC Exposure in accordance with Section 2.06(j) hereof; and in case of any event with respect to any Borrower described in clause (h) or (i) of this Article, the Commitments shall automatically terminate and the principal of the Loans then outstanding and cash collateral for the LC Exposure, together with accrued interest thereon and all fees and other Obligations accrued hereunder and under the other Loan Documents, shall automatically become due and payable, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrowers. Upon the occurrence and during the continuance of an Event of Default, the Administrative Agent may, and at the request of the Required Lenders shall, exercise any rights and remedies provided to the Administrative Agent under the Loan Documents or at law or equity.

ARTICLE VIII

The Administrative Agent

Each of the Lenders and the Issuing Banks hereby irrevocably appoints the Administrative Agent as its agent and authorizes the Administrative Agent to take such actions on its behalf, including execution of the other Loan Documents, and to exercise such powers as are delegated to the Administrative Agent by the terms of the Loan Documents, together with such actions and powers as are reasonably incidental thereto. The provisions of this Article are solely for the benefit of the Administrative Agent and the Lenders (including the Swingline Lender and the Issuing Banks), and neither the Borrowers nor any other Loan Party shall have rights as a third party beneficiary of any of such provisions. It is understood and agreed that the use of the term "agent" as used herein or in any other Loan Documents (or any similar term) with reference

to the Administrative Agent is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any applicable law. Instead, such term is used as a matter of market custom, and is intended to create or reflect only an administrative relationship between independent contracting parties.

The bank serving as the Administrative Agent hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not the Administrative Agent, and such bank and its Affiliates may accept deposits from, lend money to and generally engage in any kind of business with MK Holdings or any Subsidiary or other Affiliate thereof as if it were not the Administrative Agent hereunder.

The Administrative Agent shall not have any duties or obligations except those expressly set forth in the Loan Documents. Without limiting the generality of the foregoing, (a) the Administrative Agent shall not be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing, (b) the Administrative Agent shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated by the Loan Documents that the Administrative Agent is required to exercise in writing as directed by the Required Lenders (or such other number or percentage of the Lenders as shall be necessary under the circumstances as provided in Section 9.02), and (c) except as expressly set forth in the Loan Documents, the Administrative Agent shall not have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to MK Holdings or any of its Subsidiaries that is communicated to or obtained by the bank serving as Administrative Agent or any of its Affiliates in any capacity. The Administrative Agent shall not be liable for any action taken or not taken by it with the consent or at the request of the Required Lenders (or such other number or percentage of the Lenders as shall be necessary under the circumstances as provided in Section 9.02) or in the absence of its own gross negligence, bad faith or willful misconduct as determined by a final nonappealable judgment of a court of competent jurisdiction. The Administrative Agent shall be deemed not to have knowledge of any Default unless and until written notice thereof is given to the Administrative Agent by MK Holdings, the Company or a Lender, and the Administrative Agent shall not be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with any Loan Document, (ii) the contents of any certificate, report or other document delivered hereunder or in connection with any Loan Document, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth in any Loan Document, (iv) the validity, enforceability, effectiveness or genuineness of any Loan Document or any other agreement, instrument or document or (v) the satisfaction of any condition set forth in Article IV or elsewhere in any Loan Document, other than to confirm receipt of items expressly required to be delivered to the Administrative Agent.

The Administrative Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing believed by it to be genuine and to have been signed or sent by the proper Person. The Administrative Agent also may rely upon any statement made to it orally or by telephone and believed by it to be made by the proper Person, and shall not incur any liability for relying thereon. The Administrative Agent may consult with legal counsel (who may be counsel for the Loan Parties), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

The Administrative Agent may perform any and all its duties and exercise its rights and powers by or through any one or more sub-agents appointed by the Administrative Agent. The Administrative Agent and any such sub-agent may perform any and all its duties and exercise its rights and powers through their respective Related Parties. The exculpatory provisions of the preceding paragraphs shall apply to any

such sub-agent and to the Related Parties of the Administrative Agent and any such sub-agent, and shall apply to their respective activities in connection with the syndication of the credit facilities provided for herein as well as activities as Administrative Agent.

Subject to the appointment and acceptance of a successor Administrative Agent as provided in this paragraph, the Administrative Agent may resign at any time by notifying the Lenders, the Issuing Banks and the Company. Upon any such resignation, the Required Lenders shall have the right, in consultation with the Company, to appoint a successor. If no successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within thirty (30) days after the retiring Administrative Agent gives notice of its resignation, then the retiring Administrative Agent may, on behalf of the Lenders and the Issuing Banks, appoint a successor Administrative Agent which shall be a bank with an office in New York, New York, or an Affiliate of any such bank. Upon the acceptance of its appointment as Administrative Agent hereunder by a successor, such successor shall succeed to and become vested with all the rights, powers, privileges and duties of the retiring Administrative Agent, and the retiring Administrative Agent shall be discharged from its duties and obligations hereunder. The fees payable by any Borrower to a successor Administrative Agent shall be the same as those payable to its predecessor unless otherwise agreed between such Borrower and such successor. After the Administrative Agent's resignation hereunder, the provisions of this Article and Section 9.03 shall continue in effect for the benefit of such retiring Administrative Agent, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while it was acting as Administrative Agent.

Each Lender acknowledges and agrees that the extensions of credit made hereunder are commercial loans and letters of credit and not investments in a business enterprise or securities. Each Lender further represents that it is engaged in making, requiring or holding commercial loans in the ordinary course of its business and that it has, independently and without reliance upon the Administrative Agent or any other Lender and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement as a Lender, and to make, acquire or hold Loans hereunder. Each Lender shall, independently and without reliance upon the Administrative Agent or any other Lender and based on such documents and information (which may contain material, nonpublic information within the meaning of the United States securities laws concerning MK Holdings and its Affiliates) as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any other Loan Document or any related agreement or any document furnished hereunder or thereunder and in deciding whether to or to the extent to which it will continue as a Lender or assign or otherwise transfer its rights, interests and obligations hereunder.

None of the Lenders, if any, identified in this Agreement as a Co-Syndication Agent, Co-Documentation Agent or Senior Managing Agent shall have any right, power, obligation, liability, responsibility or duty under this Agreement other than those applicable to all Lenders as such. Without limiting the foregoing, none of such Lenders shall have or be deemed to have a fiduciary relationship with any Lender. Each Lender hereby makes the same acknowledgments with respect to the relevant Lenders in their respective capacities as Co-Syndication Agents, Co-Documentation Agents or Senior Managing Agents, as applicable, as it makes with respect to the Administrative Agent in the preceding paragraph.

The Lenders are not partners or co-venturers, and no Lender shall be liable for the acts or omissions of, or (except as otherwise set forth herein in case of the Administrative Agent) authorized to act for, any other Lender. The Administrative Agent shall have the exclusive right on behalf of the Lenders to enforce the payment of the principal of and interest on any Loan after the date such principal or interest has become due and payable pursuant to the terms of this Agreement.

ARTICLE IX

Miscellaneous

Section 9.01. Notices. i) Except in the case of notices and other communications expressly permitted to be given by telephone (and subject to paragraph (b) below), all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by facsimile or teletcopy, as follows:

(i) if to MK Holdings or any Borrower (other than MKE or MK Switzerland), to it at (A) c/o Michael Kors (USA), Inc., 11 West 42nd Street, New York, New York 10036, Attention of Lee Sporn, Senior Vice President, General Counsel and Secretary (Telecopy No. 646-354-4834) and (B) One Meadowlands Plaza, 12th Floor, East Rutherford, NJ 07073, Attention of Joseph B. Parsons, Chief Financial Officer (Telecopy No. 646-354-4969);

(ii) if to the Administrative Agent, (A) in the case of Borrowings by the Company denominated in U.S. Dollars, to JPMorgan Chase Bank, N.A., Loan and Agency Services, 10 South Dearborn, Mail Code IL1-0010, L2 Floor, Chicago, Illinois 60603, Attention of Patricia Barcelona (Telecopy No. (844) 490-5663; Email: cls.cad.chicago@jpmorgan.com), (B) in the case of Borrowings denominated in Canadian Dollars, to JPMorgan Chase Bank, N.A., Toronto Branch, 200 Bay Street, Royal Bank Plaza, South Tower, Suite 1800, Toronto, Ontario, M5J 2J2, Canada, Attention of Domestic Lending Office (Telecopy No. (844) 235-1788; Email: cls.cad.chicago@jpmorgan.com) and (C) in the case of Borrowings by MK Holdings or any Foreign Subsidiary Borrower or Borrowings denominated in Alternative Currencies (other than Borrowings denominated in Canadian Dollars), to J.P. Morgan Europe Limited, 25 Bank Street, Canary Wharf, London E14 5JP, Attention of The Manager, Loan & Agency Services (Telecopy No. 44 207 777 2360; Email: loan_and_agency_london@jpmorgan.com), and in each case with a copy to JPMorgan Chase Bank, N.A., 270 Park Avenue, 43rd Floor, New York, New York 10017, Attention of James A. Knight (Telecopy No. (917) 464-7000);

(iii) if to JPMorgan Chase Bank, N.A. in its capacity as an Issuing Bank, to it at JPMorgan Chase Bank, N.A., 131 South Dearborn, IL1-0236, Chicago, IL 60603, Attention of Katherine Moses (Telecopy No. (312) 233-2266));

(iv) if to the Swingline Lender, to it at to JPMorgan Chase Bank, N.A., 10 South Dearborn, Chicago, Illinois 60603, Attention of Nikki Gilmore (Telecopy No. (312) 385-7101), with a copy to J.P. Morgan Europe Limited, 25 Bank Street, Canary Wharf, London E14 5JP, Attention of The Manager, Loan & Agency Services (Telecopy No. 44 207 777 2360; Email: loan_and_agency_london@jpmorgan.com); and

(v) if to any other Lender or Issuing Bank, to it at its address (or teletcopy number) set forth in its Administrative Questionnaire.

Notices sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received; notices sent by facsimile shall be deemed to have been given when sent (except that, if not given during normal business hours for the recipient, shall be deemed to have been given

at the opening of business on the next business day for the recipient). Notices delivered through Electronic Systems, to the extent provided in paragraph (b) below, shall be effective as provided in said paragraph (b).

(b) Notices and other communications to the Lenders and the Issuing Banks hereunder may be delivered or furnished by using Electronic Systems pursuant to procedures approved by the Administrative Agent; provided that the foregoing shall not apply to notices pursuant to Article II unless otherwise agreed by the Administrative Agent and the applicable Lender. The Administrative Agent or the Loan Parties may, in their discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it; provided that approval of such procedures may be limited to particular notices or communications.

Unless the Administrative Agent otherwise prescribes, (i) notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement), and (ii) notices or communications posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient, at its e-mail address as described in the foregoing clause (i), of notification that such notice or communication is available and identifying the website address therefor; provided that, for both clauses (i) and (ii) above, if such notice, email or other communication is not sent during the normal business hours of the recipient, such notice or communication shall be deemed to have been sent at the opening of business on the next business day for the recipient.

(c) Any party hereto may change its address or telecopy number for notices and other communications hereunder by notice to the other parties hereto. All notices and other communications given to any party hereto in accordance with the provisions of this Agreement shall be deemed to have been given on the date of receipt.

(d) Electronic Systems.

(i) The Company agrees that the Administrative Agent may, but shall not be obligated to, make Communications (as defined below) available to the Issuing Banks and the other Lenders by posting the Communications on Debt Domain, Intralinks, Syndtrak, ClearPar or a substantially similar Electronic System.

(ii) Any Electronic System used by the Administrative Agent is provided "as is" and "as available." The Agent Parties (as defined below) do not warrant the adequacy of such Electronic Systems and expressly disclaim liability for errors or omissions in the Communications. No warranty of any kind, express, implied or statutory, including, without limitation, any warranty of merchantability, fitness for a particular purpose, non-infringement of third-party rights or freedom from viruses or other code defects, is made by any Agent Party in connection with the Communications or any Electronic System. In no event shall the Administrative Agent or any of its Related Parties (collectively, the "Agent Parties") have any liability to any Loan Party, any Lender, any Issuing Bank or any other Person or entity for damages of any kind, including, without limitation, direct or indirect, special, incidental or consequential damages, losses or expenses (whether in tort, contract or otherwise) arising out of any Loan Party's or the Administrative Agent's transmission of Communications through an Electronic System. "Communications" means, collectively, any notice, demand, communication, information, document or other material provided by or on behalf of any Loan Party pursuant to any Loan Document or the transactions

contemplated therein which is distributed by the Administrative Agent, any Lender or any Issuing Bank by means of electronic communications pursuant to this Section, including through an Electronic System.

Section 9.02. Waivers; Amendments. (a) No failure or delay by the Administrative Agent, any Issuing Bank or any Lender in exercising any right or power hereunder or under any other Loan Document shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of the Administrative Agent, the Issuing Banks and the Lenders hereunder and under the other Loan Documents are cumulative and are not exclusive of any rights or remedies that they would otherwise have. No waiver of any provision of this Agreement or consent to any departure by any Borrower therefrom shall in any event be effective unless the same shall be permitted by paragraph (b) of this Section, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. Without limiting the generality of the foregoing, the making of a Loan or issuance of a Letter of Credit shall not be construed as a waiver of any Default, regardless of whether the Administrative Agent, any Lender or any Issuing Bank may have had notice or knowledge of such Default at the time.

(b) Except as provided in Section 2.20 with respect to an Incremental Term Loan Amendment or as provided in Section 2.27 with respect to the extension of any Maturity Date and subject to clauses (c) and (e) below, neither this Agreement nor any provision hereof may be waived, amended or modified except pursuant to an agreement or agreements in writing entered into by the Borrowers and the Required Lenders or by the Borrowers and the Administrative Agent with the consent of the Required Lenders; provided that no such agreement shall (i) increase the Commitment of any Lender without the written consent of such Lender, (ii) reduce the principal amount of any Loan or LC Disbursement or reduce the rate of interest thereon, or reduce any fees payable hereunder, without the written consent of each Lender directly affected thereby, provided that (x) any amendment of the definition of "Leverage Ratio" (or any defined term embedded therein) shall not constitute a reduction in the rate of interest or fees for purposes of this clause (ii) even if the effect of such amendment would be to reduce the rate of interest on any Loan or any LC Disbursement or to reduce any fee payable hereunder and (y) that only the consent of the Required Lenders shall be necessary to reduce or waive any obligation of the Borrowers to pay interest or fees at the applicable default rate set forth in Section 2.13(c), (iii) postpone the scheduled date of payment of the principal amount of any Loan or LC Disbursement, or any interest thereon, or any fees payable hereunder, or reduce the amount of, waive or excuse any such payment, or postpone the scheduled date of expiration of any Commitment, without the written consent of each Lender directly affected thereby, (iv) change Section 2.18(b) or (d) in a manner that would alter the pro rata sharing of payments required thereby, without the written consent of each Lender, (v) change any of the provisions of this Section or the definition of "Required Lenders" or any other provision hereof specifying the number or percentage of Lenders required to waive, amend or modify any rights hereunder or make any determination or grant any consent hereunder, without the written consent of each Lender (it being understood that, solely with the consent of the parties prescribed by Section 2.20 to be parties to an Incremental Term Loan Amendment, Incremental Term Loans may be included in the determination of Required Lenders on substantially the same basis as the Commitments and the Revolving Loans are included on the Effective Date), or (vi) release MK Holdings, the Company, or all or substantially all of the other Guarantors from their obligations under the Guaranty, in each case without the written consent of each Lender; provided further that no such agreement shall amend, modify or otherwise affect the rights or duties of the Administrative Agent, any Issuing Bank or the Swingline Lender hereunder without the prior written consent of the Administrative Agent, such Issuing Bank or the Swingline

Lender, as the case may be (it being understood that any change to Section 2.24 shall require the consent of the Administrative Agent, each Issuing Bank and the Swingline Lender). Notwithstanding the foregoing, no consent with respect to any amendment, waiver or other modification of this Agreement shall be required of any Defaulting Lender, except with respect to any amendment, waiver or other modification referred to in clause (i), (ii) or (iii) of the first proviso of this paragraph and then only in the event such Defaulting Lender shall be directly affected by such amendment, waiver or other modification.

(c) Notwithstanding the foregoing, this Agreement and any other Loan Document may be amended (or amended and restated) with the written consent of the Required Lenders, the Administrative Agent and the Borrowers (x) to add one or more credit facilities (in addition to the Incremental Term Loans pursuant to an Incremental Term Loan Amendment) to this Agreement and to permit extensions of credit from time to time outstanding thereunder and the accrued interest and fees in respect thereof to share ratably in the benefits of this Agreement and the other Loan Documents with the Revolving Loans, Incremental Term Loans and the accrued interest and fees in respect thereof and (y) to include appropriately the Lenders holding such credit facilities in any determination of the Required Lenders and Lenders.

(d) If, in connection with any proposed amendment, waiver or consent requiring the consent of “each Lender” or “each Lender directly affected thereby,” the consent of the Required Lenders is obtained, but the consent of other necessary Lenders is not obtained (any such Lender whose consent is necessary but not obtained being referred to herein as a “Non-Consenting Lender”), then the Company may elect to replace a Non-Consenting Lender as a Lender party to this Agreement, provided that, concurrently with such replacement, (i) another bank or other entity which is reasonably satisfactory to the Company and the Administrative Agent shall agree, as of such date, to purchase for cash the Loans and other Obligations due to the Non-Consenting Lender pursuant to an Assignment and Assumption and to become a Lender for all purposes under this Agreement and to assume all obligations of the Non-Consenting Lender to be terminated as of such date and to comply with the requirements of clause (b) of Section 9.04, and (ii) each Borrower shall pay to such Non-Consenting Lender in same day funds on the day of such replacement (1) the outstanding principal amount of its Loans and participations in LC Disbursements and all interest, fees and other amounts then accrued but unpaid to such Non-Consenting Lender by such Borrower hereunder to and including the date of termination, including without limitation payments due to such Non-Consenting Lender under Sections 2.13(f), 2.15 and 2.17, and (2) an amount, if any, equal to the payment which would have been due to such Lender on the day of such replacement under Section 2.16 had the Loans of such Non-Consenting Lender been prepaid on such date rather than sold to the replacement Lender.

(e) Notwithstanding anything to the contrary herein the Administrative Agent may, with the consent of the Borrowers only, amend, modify or supplement this Agreement or any of the other Loan Documents to cure any ambiguity, omission, mistake, defect or inconsistency.

(f) Notwithstanding anything to the contrary herein the Administrative Agent may, with the consent of the Borrowers only, amend, restate, modify or supplement this Agreement as may be necessary or appropriate, in the reasonable opinion of the Administrative Agent (i) following approval of any Foreign Subsidiary as an Eligible Foreign Subsidiary by the Administrative Agent and the Lenders, to effect the provisions of Section 2.23 and the designation of such Foreign Subsidiary as a Foreign Subsidiary Borrower (including with respect to borrowing mechanics and to otherwise reflect the existence of a Loan Party organized under the laws of such Foreign Subsidiary’s

jurisdiction of organization), (ii) concurrently with or following the addition of a Foreign Subsidiary as a Guarantor pursuant to Section 5.09, to reflect the existence of a Loan Party organized under the laws of such Foreign Subsidiary's jurisdiction of organization or (iii) to comply with local law or advice of local counsel.

Section 9.03. Expenses; Indemnity; Damage Waiver. (a) The Loan Parties shall pay (i) all reasonable and documented out-of-pocket expenses incurred by the Administrative Agent and its Affiliates, including the reasonable fees, charges and disbursements of one primary counsel and one local counsel in each applicable jurisdiction for all such parties and, in the case of an actual or reasonably perceived conflict of interest, one additional counsel per affected party, and other counsel retained with the Company's consent (such consent not to be unreasonably withheld or delayed), in connection with the syndication and distribution (including, without limitation, via the internet or through a service such as IntraLinks) of the credit facilities provided for herein, the preparation and administration of this Agreement and the other Loan Documents or any amendments, modifications or waivers of the provisions hereof or thereof (whether or not the transactions contemplated hereby or thereby shall be consummated), (ii) all reasonable and documented out-of-pocket expenses incurred by the Issuing Banks in connection with the issuance, amendment, renewal or extension of any Letter of Credit or any demand for payment thereunder and (iii) all reasonable and documented out-of-pocket expenses incurred by the Administrative Agent, any Issuing Bank or any Lender, including the reasonable fees, charges and disbursements of one primary counsel and of any special and local counsel for all such parties and, in the case of an actual or reasonably perceived conflict of interest, one additional counsel per affected party, and other counsel retained with the Company's consent (such consent not to be unreasonably withheld or delayed), in connection with the enforcement or protection of its rights in connection with this Agreement and any other Loan Document, including its rights under this Section, or in connection with the Loans made or Letters of Credit issued hereunder, including all such out-of-pocket expenses incurred during any workout, restructuring or negotiations in respect of such Loans or Letters of Credit.

(b) The Loan Parties shall severally indemnify the Administrative Agent, each Issuing Bank and each Lender, and each Related Party of any of the foregoing Persons (each such Person being called an "Indemnitee") against, and hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities and related expenses (which, in the case of counsel, shall be limited to the reasonable and documented out-of-pocket fees, charges and disbursements of (x) one primary counsel and one local counsel in each applicable jurisdiction for the Administrative Agent, (y) one additional counsel, and one additional counsel in each applicable jurisdiction, for all Indemnities other than the Administrative Agent and (z) additional counsel for affected Indemnities in light of actual or reasonably perceived conflicts of interest), incurred by or asserted against any Indemnitee arising out of, in connection with, or as a result of (i) the execution or delivery of any Loan Document or any agreement or instrument contemplated thereby, the performance by the parties hereto of their respective obligations thereunder or the consummation of the Transactions or any other transactions contemplated hereby, (ii) any Loan or Letter of Credit or the use of the proceeds therefrom (including any refusal by any Issuing Bank to honor a demand for payment under a Letter of Credit if the documents presented in connection with such demand do not strictly comply with the terms of such Letter of Credit), (iii) any actual or alleged presence or release of Hazardous Materials on or from any property owned or operated by MK Holdings or any of its Subsidiaries, or any Environmental Liability related in any way to MK Holdings or any of its Subsidiaries, or (iv) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory, whether brought by a third party or by MK Holdings or any of its Subsidiaries, and regardless of whether any Indemnitee is a party thereto; provided that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses are determined by a court of competent jurisdiction by final and

nonappealable judgment to have resulted from (x) the gross negligence or willful misconduct of such Indemnitee or any of its Controlled Affiliates or any of its or their officers, directors, employees, advisors or agents, (y) a material breach of its express obligations under the Loan Documents by such Indemnitee or any of its Controlled Affiliates pursuant to a claim made by a Loan Party or (z) any dispute between and among Indemnites that does not involve an act or omission by any Loan Party or any Subsidiary of a Loan Party, except that the Administrative Agent, the Lead Arrangers, the Swingline Lender and the Issuing Banks, to the extent acting in its capacity as such, shall remain indemnified in respect of such disputes to the extent otherwise entitled to be so indemnified hereunder. This Section 9.03(b) shall not apply with respect to Taxes other than any Taxes that represent losses, claims or damages arising from any non-Tax claim.

(c) To the extent that the Loan Parties fail to pay any amount required to be paid by them to the Administrative Agent, any Issuing Bank or the Swingline Lender under paragraph (a) or (b) of this Section, each Lender severally agrees to pay to the Administrative Agent, the applicable Issuing Bank or the Swingline Lender, as the case may be, such Lender's Applicable Percentage (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought) of such unpaid amount (it being understood that the Loan Parties' failure to pay any such amount shall not relieve the Loan Parties of any default in the payment thereof); provided that the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against the Administrative Agent, the applicable Issuing Bank or the Swingline Lender in its capacity as such.

(d) To the extent permitted by applicable law, no Loan Party shall assert, and each Loan Party hereby waives, any claim against any Indemnitee (i) for any damages arising from the use by others of information or other materials obtained through telecommunications, electronic or other information transmission systems (including the Internet), or (ii) on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any other Loan Document or any agreement or instrument contemplated hereby or thereby, the Transactions, any Loan or Letter of Credit or the use of the proceeds thereof.

(e) All amounts due under this Section shall be payable not later than fifteen (15) days after receipt by the Company of a written invoice relating thereto setting forth (subject to attorney-client and other confidentiality concerns of the applicable Indemnitee) such expenses in reasonable detail.

Section 9.04. Successors and Assigns. (a) The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby (including any Affiliate of any Issuing Bank that issues any Letter of Credit), except that (i) other than in accordance with Section 6.03(a)(iii), no Borrower may assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of each Lender (and any attempted assignment or transfer by any Borrower without such consent shall be null and void) and (ii) no Lender may assign or otherwise transfer its rights or obligations hereunder except in accordance with this Section. Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby (including any Affiliate of any Issuing Bank that issues any Letter of Credit), Participants (to the extent provided in paragraph (c) of this Section) and, to the extent expressly contemplated hereby, the Related Parties of each of the Administrative Agent, the Issuing Banks and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) (i) Subject to the conditions set forth in paragraph (b)(ii) below, any Lender may assign to one or more Persons (other than an Ineligible Institution) all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans at the time owing to it) with the prior written consent (such consent not to be unreasonably withheld) of:

(A) the Company (provided that the Company shall be deemed to have consented to any such assignment unless it shall object thereto by written notice to the Administrative Agent within ten (10) Business Days after having received notice thereof); provided, further, that no consent of the Company shall be required for an assignment to a Lender, an Affiliate of a Lender, an Approved Fund or, if an Event of Default has occurred and is continuing, any other assignee;

(B) the Administrative Agent;

(C) each Issuing Bank; and

(D) the Swingline Lender.

(ii) Assignments shall be subject to the following additional conditions:

(A) except in the case of an assignment to a Lender or an Affiliate of a Lender or an Approved Fund or an assignment of the entire remaining amount of the assigning Lender's Commitment or Loans of any Class, the amount of the Commitment or Loans of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Assumption with respect to such assignment is delivered to the Administrative Agent) shall not be less than \$5,000,000 unless each of the Company and the Administrative Agent otherwise consent, provided that no such consent of the Company shall be required if an Event of Default has occurred and is continuing;

(B) each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement, provided that this clause shall not be construed to prohibit the assignment of a proportionate part of all the assigning Lender's rights and obligations in respect of one Class of Commitments or Loans;

(C) the parties to each assignment shall execute and deliver to the Administrative Agent (x) an Assignment and Assumption and (y) to the extent applicable, an agreement incorporating an Assignment and Assumption by reference pursuant to a Platform as to which the Administrative Agent and the parties to the Assignment and Assumption are participants, together with a processing and recordation fee of \$3,500 (which fee may be waived by the Administrative Agent in its sole discretion), such fee to be paid by either the assigning Lender or the assignee Lender or shared between such Lenders;

(D) the assignee, if it shall not be a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire in which the assignee designates one or more credit contacts to whom all syndicate-level information (which may contain material non-public information about MK Holdings and its Affiliates and their Related Parties or their respective securities) will be made

available and who may receive such information in accordance with the assignee's compliance procedures and applicable laws, including federal and state securities laws;

(E) any assignment or transfer to or assumption by any Person of all or a portion of a Lender's rights and obligations under this Agreement (including all or a portion of its Commitment or Loans) with respect to a Dutch Borrower shall only be permitted if such Person is a Dutch Non-Public Lender; and

(F) the prior written consent of each Swiss Borrower, if the assignee is not a Swiss Qualifying Bank (such consent however not to be unreasonably withheld or delayed); provided that no consent of any Swiss Borrower shall be required if an Event of Default under clauses (a), (b), (h) or (i) of Article VII has occurred and is continuing.

For the purposes of this Section 9.04(b), the terms "Approved Fund" and "Ineligible Institution" have the following meanings:

"Approved Fund" means any Person (other than a natural person) that is engaged in making, purchasing, holding or investing in bank loans and similar extensions of credit in the ordinary course of its business and that is administered or managed by (a) a Lender, (b) an Affiliate of a Lender or (c) an entity or an Affiliate of an entity that administers or manages a Lender.

"Ineligible Institution" means (a) a natural person, (b) a Defaulting Lender or its Parent, (c) MK Holdings, any of its Subsidiaries or any of its Affiliates, or (d) a company, investment vehicle or trust for, or owned and operated for the primary benefit of, a natural person or relative(s) thereof.

(iii) Subject to acceptance and recording thereof pursuant to paragraph (b)(iv) of this Section, from and after the effective date specified in each Assignment and Assumption the assignee thereunder shall be a party hereto and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto but shall continue to be entitled to the benefits and be subject to the obligations of Sections 2.13(f), 2.15, 2.16, 2.17 and 9.03 with respect to circumstances occurring prior to the assignment). Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this Section 9.04 shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with paragraph (c) of this Section.

(iv) The Administrative Agent, acting for this purpose as a non-fiduciary agent of each Borrower, shall maintain at one of its offices a copy of each Assignment and Assumption delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitment of, and principal amount (and stated interest) of the Loans and LC Disbursements owing to, each Lender pursuant to the terms hereof from time to time (the "Register"). The entries in the Register shall be conclusive, absent manifest error, and the Borrowers, the Administrative Agent, the Issuing Banks and the Lenders shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender

hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. The Register shall be available for inspection by each Borrower, any Issuing Bank and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

(v) Upon its receipt of (x) a duly completed Assignment and Assumption executed by an assigning Lender and an assignee or (y) to the extent applicable, an agreement incorporating an Assignment and Assumption by reference pursuant to a Platform as to which the Administrative Agent and the parties to the Assignment and Assumption are participants, the assignee's completed Administrative Questionnaire (unless the assignee shall already be a Lender hereunder), the processing and recordation fee referred to in paragraph (b) of this Section and any written consent to such assignment required by paragraph (b) of this Section, the Administrative Agent shall accept such Assignment and Assumption and record the information contained therein in the Register; provided that if either the assigning Lender or the assignee shall have failed to make any payment required to be made by it pursuant to Section 2.05(c), 2.06(d) or (e), 2.07(b), 2.18(e) or 9.03(c), the Administrative Agent shall have no obligation to accept such Assignment and Assumption and record the information therein in the Register unless and until such payment shall have been made in full, together with all accrued interest thereon. No assignment shall be effective for purposes of this Agreement unless it has been recorded in the Register as provided in this paragraph.

(c) Any Lender may, without the consent of any Borrower, the Administrative Agent, the Issuing Banks or the Swingline Lender, sell participations to one or more banks or other entities (a "Participant"), other than an Ineligible Institution, in all or a portion of such Lender's rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans owing to it); provided that (A) such Lender's obligations under this Agreement shall remain unchanged; (B) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations, (C) the Borrowers, the Administrative Agent, the Issuing Banks and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement and (D) each Participant shall be a Swiss Qualifying Bank or, if not, the prior written consent of each Swiss Borrower has been obtained (such consent however not to be unreasonably withheld or delayed; provided that no consent of any Swiss Borrower shall be required if an Event of Default under clauses (a), (b), (h) or (i) of Article VII has occurred and is continuing). Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; provided that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver described in the first proviso to Section 9.02(b) that affects such Participant. Each Borrower agrees that each Participant shall be entitled to the benefits of Sections 2.13(f), 2.15, 2.16 and 2.17 (subject to the requirements and limitations therein, including the requirements under Section 2.17(f) (it being understood that the documentation required under Section 2.17(f) shall be delivered to the participating Lender)) to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to paragraph (b) of this Section; provided that such Participant (A) agrees to be subject to the provisions of Sections 2.18 and 2.19 as if it were an assignee under paragraph (b) of this Section; and (B) shall not be entitled to receive any greater payment under Sections 2.13(f), 2.15 or 2.17, with respect to any participation, than its participating Lender would have been entitled to receive, except to the extent such entitlement to receive a greater payment results from a Change in Law that occurs after the Participant acquired the applicable participation. To the extent permitted by law, each Participant also shall be entitled

to the benefits of Section 9.08 as though it were a Lender, provided such Participant agrees to be subject to Section 2.18(d) as though it were a Lender. Each Lender that sells a participation shall, acting solely for this purpose as a non-fiduciary agent of the Borrowers, maintain a register on which it enters the name and address of each Participant and the principal amounts (and stated interest) of each Participant's interest in the Loans or other obligations under the Loan Documents (the "Participant Register"); provided that no Lender shall have any obligation to disclose all or any portion of the Participant Register (including the identity of any Participant or any information relating to a Participant's interest in any Commitments, Loans, Letters of Credit or its other obligations under any Loan Document) to any Person except to the extent that such disclosure is necessary to establish that such Commitment, Loan, Letter of Credit or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. The entries in the Participant Register shall be conclusive absent manifest error, and such Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. For the avoidance of doubt, the Administrative Agent (in its capacity as Administrative Agent) shall have no responsibility for maintaining a Participant Register.

(d) Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including without limitation any pledge or assignment to secure obligations to a Federal Reserve Bank or any other central banking authority having jurisdiction over such Lender, and this Section shall not apply to any such pledge or assignment of a security interest; provided that no such pledge or assignment of a security interest shall release a Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

Section 9.05. Survival. All covenants, agreements, representations and warranties made by the Loan Parties in the Loan Documents and in the certificates or other instruments delivered in connection with or pursuant to this Agreement or any other Loan Document shall be considered to have been relied upon by the other parties hereto and shall survive the execution and delivery of the Loan Documents and the making of any Loans and issuance of any Letters of Credit, regardless of any investigation made by any such other party or on its behalf and notwithstanding that the Administrative Agent, any Issuing Bank or any Lender may have had notice or knowledge of any Default or incorrect representation or warranty at the time any credit is extended hereunder, and shall continue in full force and effect as long as the principal of or any accrued interest on any Loan or any fee or any other amount payable under this Agreement or any other Loan Document is outstanding and unpaid (other than contingent obligations for indemnification) or any Letter of Credit is outstanding (that has not been cash collateralized in accordance with Section 2.06(j)) and so long as the Commitments have not expired or terminated. The provisions of Sections 2.13(f), 2.15, 2.16, 2.17 and 9.03 and Article VIII shall survive and remain in full force and effect regardless of the consummation of the transactions contemplated hereby, the repayment of the Loans, the expiration or termination of the Letters of Credit and the Commitments or the termination of this Agreement or any other Loan Document or any provision hereof or thereof.

Section 9.06. Counterparts; Integration; Effectiveness; Electronic Execution. This Agreement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement, the other Loan Documents and any separate letter agreements with respect to (i) fees payable to the Administrative and (ii) the reductions or increases of the Letter of Credit Commitment of any Issuing Bank Agent constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof.

Except as provided in Section 4.01, this Agreement shall become effective when it shall have been executed by the Administrative Agent and when the Administrative Agent shall have received counterparts hereof which, when taken together, bear the signatures of each of the other parties hereto, and thereafter shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. Delivery of an executed counterpart of a signature page of this Agreement by telecopy, e-mailed .pdf or any other electronic means that reproduces an image of the actual executed signature page shall be effective as delivery of a manually executed counterpart of this Agreement. The words "execution," "signed," "signature," "delivery," and words of like import in or relating to any document to be signed in connection with this Agreement and the transactions contemplated hereby shall be deemed to include Electronic Signatures, deliveries or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature, physical delivery thereof or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act.

Section 9.07. Severability. Any provision of any Loan Document held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions thereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction.

Section 9.08. Right of Setoff. If an Event of Default shall have occurred and be continuing, each Lender and each of its Affiliates is hereby authorized at any time and from time to time, to the fullest extent permitted by law, to set off and apply any and all deposits (general or special, time or demand, provisional or final and in whatever currency denominated) at any time held and other obligations at any time owing by such Lender or Affiliate to or for the credit or the account of any Borrower or any Guarantor against any of and all of the Obligations held by such Lender, irrespective of whether or not such Lender shall have made any demand under the Loan Documents and although such obligations may be unmatured. The rights of each Lender under this Section are in addition to other rights and remedies (including other rights of setoff) which such Lender may have. Each Lender and Issuing Bank shall use reasonable efforts to notify the Administrative Agent promptly after any such setoff and application; provided that the failure to give such notice shall not affect the validity of such setoff and application.

Section 9.09. Governing Law; Jurisdiction; Consent to Service of Process. (a) This Agreement shall be construed in accordance with and governed by the law of the State of New York.

(b) Each Loan Party hereby irrevocably and unconditionally submits, for itself and its property, to the exclusive jurisdiction of the Supreme Court of the State of New York sitting in New York County, Borough of Manhattan, and of the United States District Court for the Southern District of New York sitting in the Borough of Manhattan, and any appellate court from any thereof, in any action or proceeding arising out of or relating to any Loan Document, or for recognition or enforcement of any judgment, and each of the parties hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such New York State or, to the extent permitted by law, in such federal court. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement or any other Loan Document shall affect any right that the Administrative Agent, any Issuing Bank or any Lender may otherwise have to bring any action or proceeding relating

to this Agreement or any other Loan Document against any Loan Party or its properties in the courts of any jurisdiction.

(c) Each Loan Party hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement or any other Loan Document in any court referred to in paragraph (b) of this Section. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(d) Each party to this Agreement irrevocably consents to service of process in the manner provided for notices in Section 9.01. MK Holdings and each other Loan Party which is a Foreign Subsidiary (each, a “Foreign Kors Person”) irrevocably designates and appoints the Company, as its authorized agent, to accept and acknowledge on its behalf, service of any and all process which may be served in any suit, action or proceeding of the nature referred to in Section 9.09(b) in any federal or New York State court sitting in New York City. The Company hereby represents, warrants and confirms that the Company has agreed to accept such appointment (and any similar appointment by any other Foreign Kors Person). Said designation and appointment shall be irrevocable by each such Foreign Kors Person until all Loans, all reimbursement obligations, interest thereon and all other amounts payable by such Foreign Kors Person hereunder and under the other Loan Documents shall have been paid in full in accordance with the provisions hereof and thereof and such Foreign Kors Person shall have been terminated as a Borrower hereunder pursuant to Section 2.23 or as a Guarantor pursuant to Section 9.14. Each Foreign Kors Person hereby consents to process being served in any suit, action or proceeding of the nature referred to in Section 9.09(b) in any federal or New York State court sitting in New York City by service of process upon the Company as provided in this Section 9.09(d); provided that, to the extent lawful and possible, notice of said service upon such agent shall be mailed by registered or certified air mail, postage prepaid, return receipt requested, to the Company and (if applicable to) such Foreign Kors Person at its address set forth in the Borrowing Subsidiary Agreement to which it is a party or to any other address of which such Foreign Kors Person shall have given written notice to the Administrative Agent (with a copy thereof to the Company). Each Foreign Kors Person irrevocably waives, to the fullest extent permitted by law, all claim of error by reason of any such service in such manner and agrees that such service shall be deemed in every respect effective service of process upon such Foreign Kors Person in any such suit, action or proceeding and shall, to the fullest extent permitted by law, be taken and held to be valid and personal service upon and personal delivery to such Foreign Kors Person. To the extent any Foreign Kors Person has or hereafter may acquire any immunity from jurisdiction of any court or from any legal process (whether from service or notice, attachment prior to judgment, attachment in aid of execution of a judgment, execution or otherwise), each Foreign Kors Person hereby irrevocably waives such immunity in respect of its obligations under the Loan Documents. Nothing in this Agreement or any other Loan Document will affect the right of any party to this Agreement to serve process in any other manner permitted by law.

Section 9.10. WAIVER OF JURY TRIAL. EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT, ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT

SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

Section 9.11. Headings. Article and Section headings and the Table of Contents used herein are for convenience of reference only, are not part of this Agreement and shall not affect the construction of, or be taken into consideration in interpreting, this Agreement.

Section 9.12. Confidentiality. Each of the Administrative Agent, the Issuing Banks and the Lenders agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its and its Affiliates' directors, officers, employees and agents, including accountants, legal counsel and other advisors (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (b) to the extent requested by any Governmental Authority, including the Federal Reserve Bank, any central banking authority and any self-regulatory authority, such as the National Association of Insurance Commissioners (provided that, except with respect to any audit or examination by bank accountants or by any governmental bank regulatory authority exercising examination or regulatory authority, each of the Administrative Agent, the Issuing Banks and the Lenders shall, to the extent practicable and not prohibited by applicable law, use reasonable efforts to promptly notify the Company of such disclosure), (c) to the extent required by applicable laws or regulations or by any subpoena or similar legal process, (d) to any other party to this Agreement, (e) in connection with the exercise of any remedies under this Agreement or any other Loan Document or any suit, action or proceeding relating to this Agreement or any other Loan Document or the enforcement of rights hereunder or thereunder, (f) subject to an agreement containing provisions substantially the same as those of this Section, to (i) any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights or obligations under this Agreement or (ii) any actual or prospective counterparty (or its advisors) to any swap or derivative transaction relating to any Borrower and its obligations, (g) with the consent of MK Holdings or the Company, (h) on a confidential basis to (1) any rating agency in connection with rating the Company or its Subsidiaries or the credit facilities provided for herein, (2) the CUSIP Service Bureau or any similar agency in connection with the issuance and monitoring of CUSIP numbers with respect to the credit facilities provided for herein or (3) any credit insurance provider in connection with credit insurance as to any Borrower and its obligations hereunder or (i) to the extent such Information (i) becomes publicly available other than as a result of a breach of this Section or (ii) becomes available to the Administrative Agent, any Issuing Bank or any Lender on a nonconfidential basis from a source other than the Company. For the purposes of this Section, "Information" means all information received from or on behalf of MK Holdings or any Subsidiary relating to MK Holdings, the Company, or its business, other than any such information that is available to the Administrative Agent, any Issuing Bank or any Lender on a nonconfidential basis prior to disclosure by MK Holdings or such Subsidiary and other than information pertaining to this Agreement routinely provided by arrangers to data service providers, including league table providers, that serve the lending industry. Any Person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

EACH LENDER ACKNOWLEDGES THAT INFORMATION AS DEFINED IN THE IMMEDIATELY PRECEDING PARAGRAPH FURNISHED TO IT PURSUANT TO THIS AGREEMENT MAY INCLUDE MATERIAL NON-PUBLIC INFORMATION CONCERNING THE COMPANY AND ITS RELATED PARTIES OR THEIR RESPECTIVE SECURITIES, AND CONFIRMS THAT IT HAS DEVELOPED COMPLIANCE PROCEDURES REGARDING THE

USE OF MATERIAL NON-PUBLIC INFORMATION AND THAT IT WILL HANDLE SUCH MATERIAL NON-PUBLIC INFORMATION IN ACCORDANCE WITH THOSE PROCEDURES AND APPLICABLE LAW, INCLUDING FEDERAL AND STATE SECURITIES LAWS.

ALL INFORMATION, INCLUDING REQUESTS FOR WAIVERS AND AMENDMENTS, FURNISHED BY THE COMPANY OR THE ADMINISTRATIVE AGENT PURSUANT TO, OR IN THE COURSE OF ADMINISTERING, THIS AGREEMENT WILL BE SYNDICATE-LEVEL INFORMATION, WHICH MAY CONTAIN MATERIAL NON-PUBLIC INFORMATION ABOUT THE COMPANY, THE OTHER LOAN PARTIES AND THEIR RELATED PARTIES OR THEIR RESPECTIVE SECURITIES. ACCORDINGLY, EACH LENDER REPRESENTS TO THE COMPANY AND THE ADMINISTRATIVE AGENT THAT IT HAS IDENTIFIED IN ITS ADMINISTRATIVE QUESTIONNAIRE A CREDIT CONTACT WHO MAY RECEIVE INFORMATION THAT MAY CONTAIN MATERIAL NON-PUBLIC INFORMATION IN ACCORDANCE WITH ITS COMPLIANCE PROCEDURES AND APPLICABLE LAW.

Section 9.13. USA PATRIOT Act; Anti-Money Laundering Laws.

(a) Each Lender that is subject to the requirements of the USA PATRIOT Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the “Patriot Act”) hereby notifies each Loan Party that pursuant to the requirements of the Patriot Act, it is required to obtain, verify and record information that identifies such Loan Party, which information includes the name and address of such Loan Party and other information that will allow such Lender to identify such Loan Party in accordance with the Patriot Act.

(b) Each Canadian Borrower acknowledges that, pursuant to the Proceeds of Crime (Money Laundering) and Terrorist Financing Act (Canada) and other applicable anti-money laundering, anti-terrorist financing, government sanction and “know your client” laws, whether within Canada or elsewhere (collectively, including any guidelines or orders thereunder, “AML Legislation”), the Lenders and the Administrative Agent may be required to obtain, verify and record information regarding such Canadian Borrower, its directors, authorized signing officers, direct or indirect shareholders or other Persons in control of such Canadian Borrower, and the transactions contemplated hereby. Each Canadian Borrower shall promptly provide all such information, including supporting documentation and other evidence, as may be reasonably requested by any Lender or the Administrative Agent, or any prospective assign or participant of a Lender or the Administrative Agent, in order to comply with any applicable AML Legislation, whether now or hereafter in existence.

If the Administrative Agent has ascertained the identity of any Canadian Borrower or any authorized signatories of any Canadian Borrower for the purposes of applicable AML Legislation, then the Administrative Agent:

(i) shall be deemed to have done so as an agent for each Lender, and this Agreement shall constitute a “written agreement” in such regard between each Lender and the Administrative Agent within the meaning of applicable AML Legislation; and

(ii) shall provide to each Lender copies of all information obtained in such regard without any representation or warranty as to its accuracy or completeness.

Notwithstanding the preceding sentence and except as may otherwise be agreed in writing, each of the Lenders agrees that the Administrative Agent has no obligation to ascertain the identity of any Canadian Borrower or any authorized signatories of any Canadian Borrower on behalf of any Lender,

or to confirm the completeness or accuracy of any information it obtains from any Canadian Borrower or any such authorized signatory in doing so.

Section 9.14. Releases of Guarantors.

(a) A Guarantor shall automatically be released from its obligations under the Guaranty and this Agreement upon the consummation of any transaction permitted by this Agreement as a result of which such Guarantor ceases to be a Subsidiary; provided that, if so required by this Agreement, the Required Lenders shall have consented to such transaction and the terms of such consent shall not have provided otherwise. In connection with any termination or release pursuant to this Section, the Administrative Agent shall (and is hereby irrevocably authorized by each Lender to) execute and deliver to any Loan Party, at such Loan Party's expense, all documents that such Loan Party shall reasonably request to evidence such termination or release. Any execution and delivery of documents pursuant to this Section shall be without recourse to or warranty by the Administrative Agent.

(b) Further, the Administrative Agent may (and is hereby irrevocably authorized by each Lender to), upon the request of the Company, release any Subsidiary that is a Guarantor (other than the Company) from its obligations under the Guaranty and this Agreement if such Guarantor is no longer a Material Subsidiary.

(c) At such time as the principal and interest on the Loans, all LC Disbursements, the fees, expenses and other amounts payable under the Loan Documents and the other Obligations (other than obligations under any Swap Agreement or any Banking Services Agreement, and other Obligations expressly stated to survive such payment and termination) shall have been paid in full in cash, the Commitments shall have been terminated and no Letters of Credit shall be outstanding, the Guaranty and all obligations (other than those expressly stated to survive such termination) of each Guarantor thereunder and under this Agreement shall automatically terminate, all without delivery of any instrument or performance of any act by any Person.

Section 9.15. Interest Rate Limitation. Notwithstanding anything herein to the contrary, if at any time the interest rate applicable to any Loan, together with all fees, charges and other amounts which are treated as interest on such Loan under applicable law (collectively the "Charges"), shall exceed the maximum lawful rate (the "Maximum Rate") which may be contracted for, charged, taken, received or reserved by the Lender holding such Loan in accordance with applicable law, the rate of interest payable in respect of such Loan hereunder, together with all Charges payable in respect thereof, shall be limited to the Maximum Rate and, to the extent lawful, the interest and Charges that would have been payable in respect of such Loan but were not payable as a result of the operation of this Section shall be cumulated and the interest and Charges payable to such Lender in respect of other Loans or periods shall be increased (but not above the Maximum Rate therefor) until such cumulated amount, together with interest thereon at the Federal Funds Effective Rate to the date of repayment, shall have been received by such Lender.

Section 9.16. No Advisory or Fiduciary Responsibility. In connection with all aspects of each transaction contemplated hereby (including in connection with any amendment, waiver or other modification hereof or of any other Loan Document), each Borrower acknowledges and agrees that: (i) (A) the arranging and other services regarding this Agreement provided by the Lenders are arm's-length commercial transactions between such Borrower and its Affiliates, on the one hand, and the Lenders and their Affiliates, on the other hand, (B) such Borrower has consulted its own legal, accounting, regulatory and tax advisors to the extent it has deemed appropriate, and (C) such Borrower is capable of evaluating,

and understands and accepts, the terms, risks and conditions of the transactions contemplated hereby and by the other Loan Documents; (ii) (A) each of the Lenders and their Affiliates is and has been acting solely as a principal and, except as expressly agreed in writing by the relevant parties, has not been, is not, and will not be acting as an advisor, agent or fiduciary for such Borrower or any of its Affiliates, or any other Person and (B) no Lender or any of its Affiliates has any obligation to such Borrower or any of its Affiliates with respect to the transactions contemplated hereby except, in the case of a Lender, those obligations expressly set forth herein and in the other Loan Documents; and (iii) each of the Lenders and their respective Affiliates may be engaged in a broad range of transactions that involve interests that differ from those of such Borrower and its Affiliates, and no Lender or any of its Affiliates has any obligation to disclose any of such interests to such Borrower or its Affiliates. To the fullest extent permitted by law, each Borrower hereby waives and releases any claims that it may have against each of the Lenders and their Affiliates with respect to any breach or alleged breach of agency or fiduciary duty in connection with any aspect of any transaction contemplated hereby.

Section 9.17. Prepayment of Loans under the Existing Credit Agreement. Each of the signatories hereto that is also a party to the Existing Credit Agreement hereby agrees that any and all required notice periods under the Existing Credit Agreement in connection with the prepayment (if any) on the Effective Date of any “Loans” under the Existing Credit Agreement are hereby waived and of no force and effect.

Section 9.18. Attorney Representation. If a Loan Party incorporated under the laws of the Netherlands is represented by an attorney in connection with the signing and/or execution of the Agreement and/or any other Loan Document it is hereby expressly acknowledged and accepted by the parties to the Agreement and/or any other Loan Document that the existence and extent of the attorney’s authority and the effects of the attorney’s exercise or purported exercise of his or her authority shall be governed by the laws of the Netherlands.

【Signature Pages Follow】

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

MICHAEL KORS (USA), INC., as the Company, a Borrower and a Guarantor

By: /s/ Joseph B. Parsons
Name: Joseph B. Parsons
Title: Executive Vice President, Chief Financial
Officer, Chief Operating Officer and

Treasurer

MICHAEL KORS HOLDINGS LIMITED, as MK Holdings, a Borrower and a Guarantor

By: /s/ Joseph B. Parsons
Name: Joseph B. Parsons
Title: Executive Vice President, Chief Financial
Officer, Chief Operating Officer and

Treasurer

MICHAEL KORS (CANADA) HOLDINGS LTD., as MK Canada Holdings, a Borrower and a Guarantor

By: /s/ Joseph B. Parsons
Name: Joseph B. Parsons
Title: Executive Vice President and Chief
Financial Officer

MICHAEL KORS (EUROPE) B.V., as MKE, a Borrower and a Guarantor

By: /s/ Joseph B. Parsons
Name: Joseph B. Parsons
Title: Attorney

MICHAEL KORS (SWITZERLAND) GMBH, as MK Switzerland, a Borrower and a Guarantor

By: /s/ Joseph B. Parsons
Name: Joseph B. Parsons
Title: Managing Officer

Signature Page to Amended and Restated Credit Agreement
Michael Kors (USA), Inc.

MICHAEL KORS L.L.C., as a Guarantor

By: /s/ Joseph B. Parsons
Name: Joseph B. Parsons
Title: Executive Vice President, Chief Financial
Officer, Chief Operating Officer and

Treasurer

MICHAEL KORS STORES (CALIFORNIA), INC., as a Guarantor

By: /s/ Joseph B. Parsons
Name: Joseph B. Parsons
Title: Executive Vice President, Chief Financial
Officer and Treasurer

MICHAEL KORS RETAIL, INC., as a Guarantor

By: /s/ Joseph B. Parsons
Name: Joseph B. Parsons
Title: Executive Vice President, Chief Financial
Officer and Treasurer

MICHAEL KORS STORES, L.L.C., as a Guarantor

By: /s/ Joseph B. Parsons
Name: Joseph B. Parsons
Title: Executive Vice President, Chief Financial
Officer, Chief Operating Officer and

Treasurer

MICHAEL KORS (USA) HOLDINGS, INC., as a Guarantor

By: /s/ Joseph B. Parsons
Name: Joseph B. Parsons
Title: Executive Vice President, Chief Financial
Officer, Chief Operating Officer and

Treasurer

Signature Page to Credit Agreement
Michael Kors (USA), Inc.

MICHAEL KORS (CANADA) CO., as a Guarantor

By: /s/ Joseph B. Parsons

Name: Joseph B. Parsons
Title: Executive Vice President and Chief
Financial Officer

MICHAEL KORS (SWITZERLAND) HOLDINGS GMBH, as a Guarantor

By: /s/ Joseph B. Parsons

Name: Joseph B. Parsons
Title: Managing Officer

MICHAEL KORS (SWITZERLAND)INTERNATIONAL GMBH, as a Guarantor

By: /s/ Joseph B. Parsons

Name: Joseph B. Parsons
Title: Managing Officer

MICHAEL KORS (UK) LIMITED, as a Guarantor

By: /s/ Joseph B. Parsons

Name: Joseph B. Parsons
Title: Director

MICHAEL KORS (UK) HOLDINGS LIMITED, as a Guarantor

By: /s/ Joseph B. Parsons

Name: Joseph B. Parsons
Title: Director

Signature Page to Credit Agreement
Michael Kors (USA), Inc.

MICHAEL KORS (LUXEMBOURG) HOLDINGS S.À R.L., as a Guarantor
Société à responsabilité limitée
Registered office:
46A, avenue J.F. Kennedy, L-1855 Luxembourg
Share capital: USD 150,030,000
R.C.S. Luxembourg B191.590

By: /s/ Joseph B. Parsons
Name: Joseph B. Parsons
Title: Class A Manager

Signature Page to Credit Agreement
Michael Kors (USA), Inc.

JPMORGAN CHASE BANK, N.A., individually as a Lender, as the Swingline Lender, as an Issuing Bank, as a Co-Syndication Agent and as Administrative Agent

By: /s/ Devin T. Roccisano
Name: Devin T Roccisano
Title: Vice President

Status of Lender under Section 2.17(f)(iii) of the Agreement:

A Treaty Recipient

DTTP Scheme Reference Number:
13/M/0268710/DTTP

Jurisdiction of Tax Residence:
United States of America

Signature Page to Credit Agreement
Michael Kors (USA), Inc.

JPMORGAN CHASE BANK, N.A., TORONTO BRANCH, as a Lender

By: /s/ Michael N. Tam
Name: Michael N. Tam
Title: Senior Vice President

Signature Page to Credit Agreement
Michael Kors (USA), Inc.

CITIBANK, N.A., individually as a Lender, as an Issuing Bank and as a Co-Syndication Agent

By: /s/ Paul V. Phelan
Name: Paul V. Phelan
Title: Director

Status of Lender under Section 2.17(f)(iii) of the Agreement:

is a Treaty Recipient and provides the following information:

Passport number: 013/C/62301/DTPP

Jurisdiction of Tax Residence: United States of America

Signature Page to Credit Agreement
Michael Kors (USA), Inc.

BANK OF AMERICA, N.A., individually as a Lender and as a Co-Documentation Agent

By: /s/ Sean J. Slattery
Name: Sean J. Slattery
Title: Senior Vice President

Status of Lender under Section 2.17(f)(iii) of the Agreement:

a Treaty Recipient

DTTP Scheme Reference Number: 13/B/7418/DTTP

Jurisdiction of Tax Residence: United States of America

Signature Page to Credit Agreement
Michael Kors (USA), Inc.

BANK OF AMERICA, N.A., (CANADA BRANCH), as a Lender

By: /s/ Medina Sales de Andrade
Name: Medina Sales de Andrade
Title: Vice President

Signature Page to Credit Agreement
Michael Kors (USA), Inc.

U.S. BANK NATIONAL ASSOCIATION, individually as a Lender and as a Co-Documentation Agent

By: /s/ Mark D. Rodgers
Name: Mark D. Rodgers
Title: Vice President

Status of Lender under Section 2.17(f)(iii) of the Agreement:

a Treaty Recipient

DTTP Scheme Reference Number: 13/U/62184/DTTP

Jurisdiction of Tax Residence: United States of America

Signature Page to Credit Agreement
Michael Kors (USA), Inc.

U.S. BANK NATIONAL ASSOCIATION, ACTING THROUGH ITS CANADIAN BRANCH, as a Lender

By: /s/ Paul Rodgers
Name: Paul Rodgers
Title: Vice President

Signature Page to Credit Agreement
Michael Kors (USA), Inc.

HSBC BANK USA, NATIONAL ASSOCIATION, individually as a Lender and as a Senior Managing Agent

By: /s/ Darren Pinsker
Name: Darren Pinsker
Title: Senior Vice President

Status of Lender under Section 2.17(f)(iii) of the Agreement:

a Treaty Recipient

DTTP Scheme Reference Number: 13/H/314375/DTTP

Jurisdiction of Tax Residence: United States of America

Signature Page to Credit Agreement
Michael Kors (USA), Inc.

THE BANK OF TOKYO-MITSUBISHI UFJ, LTD., individually as a Lender and as a Senior Managing Agent

By: /s/ Susan J. Swerdloff
Name: Susan J. Swerdloff
Title: Managing Director

Status of Lender under Section 2.17(f)(iii) of the Agreement:

a Treaty Recipient

DTTP Scheme Reference Number: 43/B/322072/DTTP

Jurisdiction of Tax Residence: Japan

Signature Page to Credit Agreement
Michael Kors (USA), Inc.

CAPITAL ONE, NATIONAL ASSOCIATION, individually as a Lender and as a Senior Managing Agent

By: /s/ Charles J. Margiotti III
Name: Charles J. Margiotti III
Title: Senior Vice President

Status of Lender under Section 2.17(f)(iii) of the Agreement:

a Treaty Recipient

DTTP Scheme Reference Number: 13/C/365299/DTTP

Jurisdiction of Tax Residence: United States of America

Signature Page to Credit Agreement
Michael Kors (USA), Inc.

WELLS FARGO BANK, NATIONAL ASSOCIATION, individually as a Lender and as a Senior Managing Agent

By: /s/ Denis Waltrich
Name: Denis Waltrich
Title: Director

Status of Lender under Section 2.17(f)(iii) of the Agreement:

a Treaty Recipient

DTTP Scheme Reference Number: 13/W/61173/DTTP

Jurisdiction of Tax Residence: United States of America

Signature Page to Credit Agreement
Michael Kors (USA), Inc.

BNP PARIBAS, as a Lender

By: /s/ Pamela J. Fitton
Name: Pamela J. Fitton
Title: Managing Director

By: /s/ Melissa Dyki
Name: Melissa Dyki
Title: Director

Status of Lender under Section 2.17(f)(iii) of the Agreement:

a Treaty Recipient

DTTP Scheme Reference Number: 5/B/255139/DTTP

Jurisdiction of Tax Residence: France

Signature Page to Credit Agreement
Michael Kors (USA), Inc.

CREDIT SUISSE AG, as a Lender

By: /s/ Gianluigi Pezzotta
Name: Gianluigi Pezzotta
Title: Director

By: /s/ Marzio Grassi
Name: Marzio Grassi
Title: Director

Status of Lender under Section 2.17(f)(iii) of the Agreement:

a Treaty Recipient

Jurisdiction of Tax Residence: Switzerland

Signature Page to Credit Agreement
Michael Kors (USA), Inc.

ING BANK N.V. DUBLIN BRANCH, as a Lender

By: /s/ Barry Fehily
Name: Barry Fehily
Title: Country Manager

By: /s/ Sean Hassett
Name: Sean Hassett
Title: Director

Status of Lender under Section 2.17(f)(iii) of the Agreement:

not a Qualifying Recipient

DTTP Scheme Reference Number: N/A

Jurisdiction of Tax Residence:
Ireland

Signature Page to Credit Agreement
Michael Kors (USA), Inc.

INTESA SANPAOLO S.P.A., NEW YORK BRANCH, as a Lender

By: /s/ Manuela Insana
Name: Manuela Insana
Title: VP & Relationship Manager

By: /s/ Francesco Di Mario
Name: Francesco Di Mario
Title: FVP & Head of Credit

Status of Lender under Section 2.17(f)(iii) of the Agreement:

a Qualifying Recipient (London Branch)

Signature Page to Credit Agreement
Michael Kors (USA), Inc.

STANDARD CHARTERED BANK, as a Lender

By: /s/ Steven Aloupis
Name: Steven Aloupis A2388
Title: Managing Director Capital Markets

Status of Lender under Section 2.17(f)(iii) of the Agreement:

a Qualifying Recipient (other than a Treaty Recipient)

Signature Page to Credit Agreement
Michael Kors (USA), Inc.

SCHEDULE 2.01
COMMITMENTS

<u>LENDER</u>	<u>COMMITMENT</u>
JPMORGAN CHASE BANK, N.A.	\$150,000,000.00
CITIBANK, N.A.	\$150,000,000.00
BANK OF AMERICA, N.A.	\$112,500,000.00
U.S. BANK NATIONAL ASSOCIATION	\$112,500,000.00
HSBC BANK USA, NATIONAL ASSOCIATION	\$75,000,000.00
THE BANK OF TOKYO-MITSUBISHI UFJ, LTD.	\$50,000,000.00
CAPITAL ONE, NATIONAL ASSOCIATION	\$50,000,000.00
WELL FARGO BANK, NATIONAL ASSOCIATION	\$50,000,000.00
BNP PARIBAS	\$50,000,000.00
CREDIT SUISSE AG	\$50,000,000.00
ING BANK N.V. DUBLIN BRANCH	\$50,000,000.00
INTESA SANPAOLO S.p.A, NEW YORK BRANCH	\$50,000,000.00
STANDARD CHARTERED BANK	\$50,000,000.00
AGGREGATE COMMITMENT	\$1,000,000,000

SCHEDULE 2.02

LETTER OF CREDIT COMMITMENTS

<u>ISSUING BANK</u>	<u>LETTER OF CREDIT COMMITMENT</u>
JPMORGAN CHASE BANK, N.A.	\$37,500,000
CITIBANK, N.A.	\$37,500,000

CERTIFICATIONS

I, John D. Idol, certify that:

1. I have reviewed this Form 10-Q of Michael Kors Holdings Limited;
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 quarterly 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 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 we 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 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 function):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 3, 2016

By:

/s/ John D. Idol

John D. Idol

Chief Executive Officer

CERTIFICATIONS

I, Joseph B. Parsons, certify that:

1. I have reviewed this Form 10-Q of Michael Kors Holdings Limited;
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 quarterly 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 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 we 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 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 function):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 3, 2016

By: /s/ Joseph B. Parsons
Joseph B. Parsons
Chief Financial Officer

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with this quarterly report on Form 10-Q of Michael Kors Holdings Limited (the "Company") for the quarter ended December 26, 2015 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, John D. Idol, Chief Executive Officer of the Company, hereby certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (i) The Report fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934, as amended; and
- (ii) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Michael Kors Holdings Limited.

Date: February 3, 2016

/s/ John D. Idol

John D. Idol

Chief Executive Officer

(Principal Executive Officer)

The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section 1350 and is not being filed as part of this Report.

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with this quarterly report on Form 10-Q of Michael Kors Holdings Limited (the "Company") for the quarter ended December 26, 2015 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Joseph B. Parsons, Chief Financial Officer of the Company, hereby certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (i) The Report fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934, as amended; and
- (ii) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Michael Kors Holdings Limited.

Date: February 3, 2016

/s/ Joseph B. Parsons

Joseph B. Parsons

Chief Financial Officer

(Principal Financial Officer)

The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section 1350 and is not being filed as part of this Report.